

**52:27D-287.7 to 52:27D-287.11; Sec.7 App. et al**  
**LEGISLATIVE HISTORY CHECKLIST**

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**LAWS OF:** 2021                    **CHAPTER:** 188

**NJSA:** 52:27D-287.7 to 52:27D-287.11; Sec.7 App. et al (Provides financial relief to certain landlords and tenants in response to COVID-19 pandemic, adjusts certain court fees; and makes appropriations. )

**BILL NO:** S3691                    (Substituted for A5685 (2R))

**SPONSOR(S)** Stack, Brian P. and others

**DATE INTRODUCED:** 4/26/2021

**COMMITTEE:**                    **ASSEMBLY:** ---

**SENATE:** Budget & Appropriations

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**                    **ASSEMBLY:** 6/24/2021

**SENATE:** 6/24/2021

**DATE OF APPROVAL:** 8/4/2021

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

**FINAL TEXT OF BILL** (First Reprint enacted) Yes

**S3691**

**INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT):** Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** No

**SENATE:** Yes

(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](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes    5/20/2021  
6/30/2021

**A5685 (2R)**

**INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT):** Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** Yes

**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](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes    5/20/2021  
6/28/2021

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

RH/CL

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P.L. 2021, CHAPTER 188, *approved August 4, 2021*  
Senate No. 3691 (*First Reprint*)

1 AN ACT <sup>1</sup>relating to matters of civil law by<sup>1</sup> providing financial  
2 relief to certain landlords and tenants in response to the COVID-  
3 19 pandemic <sup>1</sup>and by altering certain court fees<sup>1</sup>, supplementing  
4 Title 52 of the Revised Statutes, and amending P.L.2020, c.1  
5 <sup>1</sup>and P.L.1991 c.177, and making an appropriation<sup>1</sup>.  
6

7 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
8 *of New Jersey:*  
9

10 1. (New section) The Legislature finds and declares that:

11 a. The mortal threat posed by the COVID-19 pandemic  
12 compelled the Governor and Legislature to take drastic but necessary  
13 action. Executive Order No. 103 of 2020 effectively shut down the  
14 New Jersey economy on March 9, 2020, in order to hinder the rapid  
15 spread of the virus and to limit as much as possible the number of  
16 infections, severe illnesses, and deaths. During the same time period,  
17 the Governor and Legislature enacted P.L.2020, c.1 (C.2A:18-59.3)  
18 and the Governor issued Executive Order No. 106 of 2020, and  
19 implemented a moratorium on evictions, so as to ensure that during the  
20 covered period, households would be able to shelter in place and  
21 eliminate the threat posed by displacement, overcrowding, and the  
22 resultant spread of the virus.

23 b. The foregoing measures caused severe economic difficulties  
24 for landlords and tenants alike. Tenants, who in general have lower-  
25 incomes and far less wealth than homeowners, have been  
26 disproportionately affected: a large number of them immediately  
27 became and remain unemployed or underemployed. This is especially  
28 so for lower-income people of color, who are predominantly tenants  
29 and who continue to be victimized by systemic and structural racism,  
30 which has left them severely disadvantaged and extremely vulnerable  
31 to health emergencies and economic downturns.

32 c. Millions of jobs in our State and elsewhere have been  
33 permanently lost, and a significant number of jobs abruptly interrupted  
34 by the virus-driven shutdown have yet to return.

35 d. As a result, thousands of tenants in our State are unable to pay  
36 all or even part of the rental arrearages caused by the pandemic when  
37 the moratorium ends, and these tenants will also find it extremely  
38 difficult to make their future, ongoing regular monthly rental payments  
39 once they resume.

**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:**

<sup>1</sup>**Senate SBA committee amendments adopted June 21, 2021.**

1 e. An overwhelming number of struggling tenant households, that  
2 are disproportionately Black and brown, will therefore be at risk of  
3 eviction for non-payment of all or part of their rent due and owing  
4 shortly after the moratorium is lifted. Combining the number of  
5 struggling tenants with the number of people at risk of displacement if  
6 the arrearage and future rent payment issues are not addressed,  
7 evictions and the resulting overcrowding, could create conditions that  
8 will lead to a resurgence and new spread of COVID-19.

9 f. At the same time, landlords have shouldered the financial  
10 burden of housing over a million tenants, as well as the costs of  
11 maintaining the buildings, paying their mortgages, taxes, and other  
12 financial obligations with <sup>1</sup>['little to no'] insufficient<sup>1</sup> help from the  
13 State or federal government.

14 g. While housing is a necessity, <sup>1</sup>['it is unfair to require']<sup>1</sup> private  
15 sector landlords <sup>1</sup>['to provide such housing without'] have thus far  
16 maintained their properties and paid their financial obligations,  
17 including State and local taxes, despite a lack of full<sup>1</sup> compensation or  
18 assistance <sup>1</sup>['], while at the same time, requiring them to continue to  
19 maintain those properties and pay their financial obligations, including  
20 State and local taxes<sup>1</sup>.

21 h. In Executive Order No. 106 of 2020, the Governor expressly  
22 stated that protection and preservation of personal and public health  
23 was the primary reason driving the imposition of the economic  
24 shutdown and eviction moratorium, a health-centered concern echoed  
25 and reinforced by the national eviction moratorium subsequently  
26 mandated by the federal Centers for Disease Control and Prevention.  
27 With the surge in vaccinations and a corresponding drop in COVID-19  
28 pandemic-related hospitalizations, the public health justification to  
29 maintain the eviction moratorium will <sup>1</sup>['also end'] eventually  
30 subside<sup>1</sup>, and the Legislature deems it necessary to help struggling  
31 tenants avoid displacement and to compensate landlords for providing  
32 this necessary shelter to many tenants without compensation during  
33 the pandemic.

34 i. In providing these protections, the State must ensure that rent  
35 arrearages accrued during the covered period are not used as a  
36 mechanism for eviction. Rather, such debt shall be treated as civil  
37 debt, subject to recovery by the landlord in a civil suit for a money  
38 judgment, which will balance the obligations of the tenant under a  
39 lease contract with the need to provide housing stability. <sup>1</sup>['In  
40 addition, the monetary jurisdiction of the courts that normally deal  
41 with civil debt must be increased.

42 j. It is also incumbent upon the State to make the distinction  
43 between those tenants who were legitimately impacted by the  
44 pandemic and those who were and are either exploiting the eviction  
45 moratorium or have the means to pay their rent but refuse to do so.

46 k.] <sup>1</sup>j.<sup>1</sup> It is, therefore, necessary for the Legislature to assist  
47 landlords who have suffered deep economic losses through no fault of

1 their tenants or themselves, and, simultaneously, make efforts to assist  
2 tenants who need help as a result of this crisis, in order to ensure some  
3 measure of security and stability for their families and communities;  
4 provide landlords with the restored rental income stream required to  
5 safely and efficiently operate their buildings; and prevent a resurgence  
6 of the COVID-19 pandemic that will threaten the health and safety of  
7 tenants, landlords, and the public at large.

8  
9 2. (New section) As used in P.L. , c. (C. ) (pending  
10 before the Legislature as this bill):

11 <sup>1</sup>“Area median income” means the median income by household  
12 size for an applicable county as determined by the department.<sup>1</sup>

13 “Assistance” means cash payments for unpaid rent provided to  
14 the landlord by any federal, State, county, or local rental assistance  
15 program <sup>1</sup>, including, but not limited to, payments ultimately  
16 provided to a landlord through an application submitted by a tenant  
17 through the Eviction Prevention Program, as established pursuant to  
18 section 4 of P.L. , c. (C. ) (pending before the Legislature  
19 as this bill)<sup>1</sup>.

20 “Commissioner” means the Commissioner of Community  
21 Affairs.

22 “Covered period” means the period beginning on March 1, 2020,  
23 and ending on <sup>1</sup>~~July~~ August<sup>1</sup> 31, 2021.

24 “COVID-19 pandemic” means the outbreak of COVID-19  
25 throughout the world, recognized as a pandemic by the World  
26 Health Organization on March 11, 2020.

27 “Credit reporting agency” means any consumer reporting agency  
28 as that term is defined by the federal “Fair Credit Reporting Act,”  
29 15 U.S.C. s.1681 et seq., which shall include any agencies which  
30 specialize in tenant screening or rental history reporting.

31 “Deep subsidy” means a rental housing subsidy which limits the  
32 tenant’s share of the monthly rent to a percentage of the tenant’s  
33 income, and which can be adjusted to maintain that percentage  
34 should the tenant’s income change.

35 “Department” means the Department of Community Affairs.

36 “Household income” means the <sup>1</sup>lower of the following numbers:  
37 (1) the<sup>1</sup> combined income of all household members <sup>1</sup>over the  
38 twelve months immediately preceding an application for assistance  
39 or protection, or (2) the combined income of all household members  
40 in the three months immediately preceding an application for  
41 assistance or protection,<sup>1</sup> annualized <sup>1</sup>~~at the time of filing of an~~  
42 application for assistance or protection<sup>1</sup> by multiplying the  
43 combined income by a factor of four<sup>1</sup>.

44 “Low-income household” means a household with a total current  
45 annual household income equal to 50 percent or less of the area  
46 median income for a household of the same size and composition.

1 “Middle-income household” means a household with a total  
2 current gross annual household income of 80 percent or more than,  
3 but less than 120 percent of, the area median income for a  
4 household of the same size and composition.

5 “Moderate-income household” means a household with a total  
6 current gross annual household income in excess of 50 percent but  
7 less than 80 percent of the area median income for a household of  
8 the same size and composition.

9 “Shallow subsidy” means a rental housing subsidy <sup>1</sup>【provided in  
10 an amount based on the percentage of the fair market rent of the  
11 unit, depending on the household size and location, which】 that  
12 limits the tenant’s share of the rent to a percentage of the tenant’s  
13 income, provided however, that the subsidy<sup>1</sup> shall be capped at a  
14 fixed amount.

15 “Very low-income household” means a household with a total  
16 current annual household income less than or equal to 30 percent of  
17 the area median income for a household of the same size and  
18 composition.

19

20 3. (New section) a. Notwithstanding any other law to the  
21 contrary, no residential tenant of a <sup>1</sup>very low-income household,<sup>1</sup>  
22 low-income household, moderate-income household, or middle-  
23 income household shall be evicted based upon nonpayment or  
24 habitual late payment of rent <sup>1</sup>, or failure to pay a rent increase,<sup>1</sup>  
25 that accrued during the covered period. Payments made by a tenant  
26 after the covered period ends shall be credited first to the current  
27 month’s rental obligation, and any balance shall be credited to any  
28 arrearage owed by the tenant <sup>1</sup>incurred following the conclusion of  
29 the covered period, and then to any arrearages incurred during the  
30 covered period<sup>1</sup>.

31 b. Any amount of rent <sup>1</sup>found by a court to be<sup>1</sup> due and owing  
32 by a residential tenant described in subsection a. of this section to a  
33 landlord during the covered period <sup>1</sup>for which compensation is not  
34 otherwise provided by any public or private source,<sup>1</sup> shall be  
35 considered civil debt and may be pursued as a money judgment in  
36 the appropriate division of the Superior Court. Such civil debt  
37 based on rental arrears shall be considered evidence of housing  
38 instability or risk of homelessness for the purpose of qualifying a  
39 household for rental assistance under any federal, State, county, or  
40 local program <sup>1</sup>, including, but not limited to, the Eviction  
41 Prevention Program, as revised pursuant to section 4 of P.L. \_\_\_\_\_, c.  
42 (C. \_\_\_\_\_) (pending before the Legislature as this bill)<sup>1</sup>.

43 c. <sup>1</sup>Notwithstanding any law to the contrary, no person shall sell  
44 or assign any civil debt relating to rent that accrued during the  
45 covered period.

46 d.<sup>1</sup> Any amount of rent due and owing either prior to the start of  
47 the covered period or after the covered period ends may be pursued

1 in the manner allowed by law for any other landlord-tenant action  
2 for rent due outside of the covered period. <sup>1</sup>The provisions of  
3 P.L. , c. (C. ) (pending before the Legislature as this bill)  
4 shall not restrict a landlord from pursuing a money judgment action  
5 during the covered period, or following the covered period, for  
6 unpaid rent due during the covered period. An action by a landlord  
7 against a residential tenant to recover unpaid rent which accrued  
8 during the covered period may be commenced in the Superior  
9 Court, Special Civil Part, regardless of the amount in controversy.  
10 The Administrative Director of the Courts may take any  
11 administrative action as may be necessary to provide a process for  
12 filing these actions in the Superior Court, Special Civil Part.<sup>1</sup>

13 (1) <sup>1</sup>(a)<sup>1</sup> Notwithstanding the provisions of this section to the  
14 contrary, <sup>1</sup>any tenant of a very low-income household, a<sup>1</sup> low-  
15 income household <sup>1</sup>【tenants】 , or a moderate-income household<sup>1</sup>  
16 shall have continued protections from evictions <sup>1</sup>as those that are  
17 applicable during the covered period pursuant to subsections a. and  
18 b. of this section<sup>1</sup> for residential rent arrearages incurred from the  
19 end of the covered period through <sup>1</sup>【August】 December<sup>1</sup> 31, 2021  
20 if the household <sup>1</sup>【pays 50 percent of their rent due for the month of  
21 August 2021, and the remaining 50 percent of rent due for that  
22 month shall be considered civil debt】 certifies under penalty of  
23 perjury:

24 (i) the household's income;

25 (ii) that the household was unable to pay rent due to  
26 circumstances arising from the COVID-19 pandemic; and

27 (iii) that the household has applied for State, county, or local  
28 rental assistance programs for which they are eligible.

29 (b) The certification required by subparagraph (a) of this  
30 paragraph shall be made on a form established by the department.  
31 The tenant shall provide a copy of the completed form to the  
32 landlord, and, if there is a pending eviction action, to the court<sup>1</sup>.

33 (2) <sup>1</sup>【Notwithstanding the provisions of this section to the  
34 contrary, moderate-income household tenants shall have continued  
35 protections from evictions for residential rent arrearages incurred  
36 from the end of the covered period through August 31, 2021 if the  
37 household pays 75 percent of their rent due for the month of August  
38 2021, and the remaining 25 percent of rent due for that month shall  
39 be considered civil debt】 The Administrative Director of the Courts  
40 shall provide notice to any residential tenant who is party to a  
41 landlord-tenant dispute for nonpayment of rent that includes  
42 information regarding tenant protections, income and COVID-19  
43 impact attestation, and rental assistance programs established  
44 pursuant to P.L. , c. (C. ) (pending before the Legislature as  
45 this bill)<sup>1</sup>.

1        **1[d.] e.**<sup>1</sup> All pending **1[landlord-tenant] eviction**<sup>1</sup> actions  
2 alleging nonpayment or habitual late payment of residential rent <sup>1</sup>,  
3 or failure to pay a rent increase,<sup>1</sup> that accrued during the covered  
4 period shall be **1[stayed and shall be]**<sup>1</sup> dismissed upon certification  
5 by the tenant, under penalty of perjury, 1in accordance with  
6 subparagraph (b) of paragraph (1) of subsection d. of this section<sup>1</sup>  
7 that the tenant is a 1very low-income household,<sup>1</sup> low-income  
8 household, moderate-income household, or middle-income  
9 household and that the reason for filing was nonpayment or habitual  
10 late payment of rent <sup>1</sup>, or failure to pay a rent increase,<sup>1</sup> during the  
11 covered period.

12        **1[e. For any case that is stayed pursuant to P.L. , c. (C. )**  
13 (pending before the Legislature as this bill), the Superior Court  
14 shall return or credit to the landlord all fees paid by the landlord to  
15 file such cases] **f. If a case is dismissed and the landlord is required**  
16 to subsequently file against the same tenant, the landlord may  
17 request that the case be reinstated with the court. In such  
18 circumstances the landlord shall pay the fees to serve the amended  
19 action, but no court filing fees shall be required<sup>1</sup>.

20        **1[f. After the expiration of the covered period, a landlord shall**  
21 be entitled to pursue a money judgment against a residential tenant  
22 for any and all lawfully due and owing unpaid rent that was  
23 converted into civil debt pursuant to P.L. , c. (C. ) (pending  
24 before the Legislature as this bill), for which compensation is not  
25 otherwise provided by any public or private source, by filing an  
26 action in the appropriate division of the Superior Court. Nothing in  
27 P.L. , c. (C. ) (pending before the Legislature as this bill)  
28 shall impact any action for a money judgment or vacate any money  
29 judgment entered during the covered period, unless the debt is  
30 satisfied.]<sup>1</sup>

31        g. **1[The Administrative Director of the Courts shall modify the**  
32 jurisdictional limits of the Small Claims Section of the Special Civil  
33 Part to \$9,000 for actions to recover unpaid residential rent that  
34 accrued during the covered period.

35        h. The Administrative Director of the Courts shall modify the  
36 jurisdictional limits of the regular Special Civil Part to \$45,000 for  
37 actions to recover unpaid residential rent that accrued during the  
38 covered period.

39        i.]<sup>1</sup> A tenant in such an action shall retain the right to assert any  
40 and all counterclaims, setoffs, legal defenses, affirmative defenses,  
41 and equitable defenses that would otherwise be available to them.

42        **1[j. A landlord shall not impose any late fees for residential rent**  
43 payments not made during the covered period.

44        k.] **h. As a condition of receiving any State or federal rental**  
45 assistance on behalf of a tenant for rent due and owing, a landlord

1 shall waive all late fees assessed for rent unpaid during the period  
2 for which assistance is being provided.

3 i.<sup>1</sup> (1) Consistent with the provisions of 15 U.S.C. s.1681s-  
4 2(a)(1)(F), a landlord shall not at any time furnish information  
5 about the nonpayment or late payment of residential rent <sup>1</sup>, or  
6 failure to pay a rent increase,<sup>1</sup> which accrued during the covered  
7 period, or summary dispossession or other court filings or proceedings  
8 related to non-payment or late payment of residential rent which  
9 accrued during the covered period, directly to another residential  
10 landlord, or to a debt collection or credit reporting agency. This  
11 paragraph shall not:

12 (a) apply to a tenant's rent payments that remain due as the  
13 result of a payment missed prior to the March 1, 2020, including  
14 payments held in escrow before that date; or

15 (b) limit the ability of a landlord to share information with the  
16 landlord's attorney or property management company, or to notice  
17 the tenant in compliance with the Anti-Eviction Act, P.L.1974, c.49  
18 (C.2A:18-61.1 et seq.).

19 (2) As a result of any record or information reflecting a tenant's  
20 non-payment or late payment of residential rent, or a related court  
21 filing, during the covered period, a landlord shall not:

22 (a) refuse to rent to a prospective tenant of residential rental  
23 housing; or

24 (b) place, or disseminate a residential tenant's information for  
25 the purpose of placing, a tenant on a list for the use of other  
26 landlords for any purpose.

27 (3) In addition to a tenant's right to pursue an action seeking  
28 injunctive or declaratory relief for a violation of this subsection, the  
29 Attorney General, in response to a complaint from a tenant, or on  
30 the Attorney General's independent initiative, may bring an action  
31 alleging a landlord has violated the provisions of this subsection.  
32 Regarding a first violation, the court shall provide the landlord with  
33 an opportunity to correct the violation prior to imposing a penalty.  
34 Following the provision of this opportunity to correct any first  
35 violation, upon a finding that non-compliance with this subsection  
36 has occurred, a court of competent jurisdiction may:

37 (a) order the non-compliant landlord to retract the report of debt  
38 or court filing data provided to the collection or credit reporting  
39 agency, bureau, or data collection facility;

40 (b) impose a fine on the non-compliant landlord, not to exceed  
41 \$500 for a first violation, \$1,000 for a second violation, and \$2,500  
42 for each subsequent violation;

43 (c) order the non-compliant landlord to pay a reasonable counsel  
44 fee in connection with a tenant whose debt has been reported to a  
45 debt collection or credit reporting agency, bureau, or data collection  
46 facility;

47 (d) provide a copy of the order immediately upon the request of  
48 the tenant and at no cost to the tenant;

1 (e) order the non-compliant landlord to take such steps as are  
2 necessary, within 30 days of the order, to rehabilitate the credit  
3 record of the tenant, with an exact copy provided to the tenant at no  
4 cost, of the efforts made in that regard; and

5 (f) if the tenant is able to show actual damages that have  
6 resulted from a violation of this section, order the non-compliant  
7 landlord to pay an award of damages to the tenant not to exceed 25  
8 percent of the debt attempted to be collected or reported by the non-  
9 complaint landlord to the collection or credit reporting agency,  
10 bureau, or data collection facility, with a minimum award of \$350.

11 (4) If a landlord furnishes rental payment data to another  
12 landlord, collection or credit reporting agency related to the non-  
13 payment of rent during the covered period, but before the enactment  
14 of P.L. , c. (C. ) (pending before the Legislature as this  
15 bill), the landlord shall not be subject to the penalty provisions of  
16 this section, except for an order to retract the report pursuant to  
17 paragraph (3) of this subsection.

18  
19 4. (New section) a. The commissioner shall <sup>1</sup>rename the  
20 current “Homelessness Prevention Program” established pursuant to  
21 the provisions of P.L.1984, c.180 (C.52:27D-280 et al.), as the  
22 “Eviction and Homelessness Prevention Program.” <sup>1</sup> establish an  
23 “Eviction Prevention Program” to provide rental relief for New Jersey  
24 residents who have been or continue to be unable to pay rent because  
25 of financial hardship directly or indirectly incurred because of the  
26 COVID-19 pandemic.<sup>1</sup>

27 b. <sup>1</sup> The commissioner shall revise and amend the "Homeless  
28 Prevention Program Regulations" established pursuant to chapter 41 of  
29 Title 5 of the New Jersey Administrative Code to meet or provide for  
30 the following:

31 (1) the regulations shall be renamed the “Eviction and  
32 Homelessness Prevention Program Regulations” <sup>1</sup> The commissioner  
33 shall administer the program in accordance with the following  
34 principles, and, notwithstanding the provisions of the “Administrative  
35 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), shall publish  
36 regulatory guidance to that effect:

37 (1) The Eviction Prevention Program shall be considered a  
38 supplement to the COVID-19 Emergency Rental Assistance Program  
39 Phase II (CVERAP II) program opened by the department on March  
40 22, 2021. Accordingly, to the greatest extent allowable and feasible,  
41 the department should utilize programmatic infrastructure, processes,  
42 and vendor contracts established under CVERAP II in order to  
43 administer relief under the Eviction Prevention Program<sup>1</sup>;

44 (2) a household shall be eligible to participate in the program if <sup>1</sup> ,  
45 due to reasons beyond the household’s control,<sup>1</sup> the household is  
46 unable to make residential rental payments which are due and owing  
47 pursuant to a valid and enforceable oral or written lease, stipulation of

1 settlement, judgment, order or other type of legally binding agreement  
2 <sup>1</sup>, because of a financial hardship sustained as a result of the COVID-  
3 19 pandemic<sup>1</sup>;

4 (3) a household shall be eligible for assistance under this program  
5 regardless of whether the household has been served with a summons  
6 and complaint for eviction <sup>1</sup>], and an oral or written communication  
7 from the landlord indicating that an eviction filing is imminent or  
8 contemplated shall be sufficient to trigger eligibility for the  
9 program]<sup>1</sup>;

10 (4) a household shall be eligible for assistance if their annualized  
11 current income is no more than 120 percent of the area median  
12 income; however, the commissioner may establish funding priorities to  
13 benefit very low-income and low-income households;

14 (5) a household shall be eligible for assistance under this program  
15 although it may be unlikely for the household to have the ability to pay  
16 shelter costs after the period of assistance has ended;

17 (6) <sup>1</sup>a household may utilize the assistance to pay current rent,  
18 accrued rent, and future rent, as determined by the department;

19 (7) the department shall award grants to be paid on behalf of<sup>1</sup>  
20 eligible households <sup>1</sup>[shall be awarded grants for periods of] to be  
21 applied to<sup>1</sup> up to two years <sup>1</sup>of rent<sup>1</sup>, depending upon the person's or  
22 household's particular circumstances <sup>1</sup>and available funds in the  
23 program<sup>1</sup>. The department shall provide assistance along a continuum  
24 based upon the income level of the tenant household, and shall include  
25 deep subsidies, shallow subsidies, and flat amounts. <sup>1</sup>[Such grants]  
26 Grants representing fewer than two years' worth of rental assistance<sup>1</sup>  
27 may be renewed <sup>1</sup>[to prevent eviction or homelessness] based on a  
28 renewed showing of need by the individual or household<sup>1</sup>. <sup>1</sup>[The]  
29 Notwithstanding the provisions of the "Administrative Procedure Act,"  
30 P.L.1968, c.410 (C.52:14B-1 et seq.), the<sup>1</sup> commissioner shall prepare  
31 detailed guidance covering the amount and duration of such grants  
32 <sup>1</sup>[.]. Any grants that are provided to cover ongoing rent shall be  
33 awarded<sup>1</sup> in accordance with the following guidelines and principles:

34 (a) for a very low-income household, a deep subsidy <sup>1</sup>[shall]  
35 may<sup>1</sup> be provided in the amount necessary to limit the household's  
36 share of ongoing rent to not more than <sup>1</sup>[40] 30<sup>1</sup> percent of the  
37 household's income;

38 (b) for a low- <sup>1</sup>or moderate-<sup>1</sup> income household that is not also  
39 very low-income, a shallow subsidy <sup>1</sup>[shall] may<sup>1</sup> be provided in the  
40 amount necessary to limit the household's share of ongoing rent to not  
41 more than <sup>1</sup>[40] 30<sup>1</sup> percent of the household's income, provided,  
42 however, that the amount of any such subsidy shall not exceed \$800  
43 per month; <sup>1</sup>[and]<sup>1</sup>

44 (c) for a <sup>1</sup>[moderate-income or]<sup>1</sup> middle-income household,  
45 assistance in the form of a <sup>1</sup>[flat monthly grant of \$250 shall be

1 provided to the household if the household pays more than 50 percent  
2 of the household's income as ongoing rent] subsidy may be provided  
3 in the amount necessary to limit the household's share of ongoing rent  
4 to not more than 30 percent of the household's income, provided,  
5 however, that the amount of any such subsidy shall not exceed \$500  
6 per month<sup>1</sup>.

7 <sup>1</sup>~~[(7)]~~ (8) To qualify for rental assistance under the program,  
8 households shall demonstrate that a person in the household:

9 (a) qualifies for unemployment or has experienced a reduction in  
10 household income, incurred significant costs, or experienced a  
11 financial hardship, directly or indirectly, to the COVID-19 pandemic;

12 (b) demonstrates a risk of experiencing homelessness or housing  
13 instability;

14 (c) falls within a household income threshold that establishes  
15 eligibility for rental assistance under the program;

16 (d) has a lack of assets and savings to pay rent arrears or current  
17 and future rent;

18 (e) is a New Jersey resident; and

19 (f) is obligated to pay rent on a residential dwelling.

20 A household that has previously received rental assistance under  
21 CVERAP II may apply for additional assistance under the Eviction  
22 Prevention Program, but any additional grant of assistance shall take  
23 into account the rental assistance previously provided pursuant to  
24 CVERAP II.

25 (9)<sup>1</sup> during the course of the payment period, if the department is  
26 notified by either the landlord or the program participant that a person  
27 or household has begun to experience difficulty paying rent as a result  
28 of <sup>1</sup>~~[(reasons beyond the household's control)]~~ continued hardships  
29 suffered as a result of the COVID-19 pandemic<sup>1</sup>, the household's  
30 income and family situation shall be reevaluated in light of the  
31 changed conditions, and the person or household shall be placed in a  
32 different assistance tier, if necessary, to prevent eviction; <sup>1</sup>~~[(and)]~~<sup>1</sup>

33 <sup>1</sup>~~[(8)]~~ (10)<sup>1</sup> during the course of the payment period, a participant  
34 household shall certify the household's current income once every  
35 <sup>1</sup>~~[(three)]~~ six<sup>1</sup> months, using a <sup>1</sup>~~[(one-page)]~~ brief<sup>1</sup> form to be developed  
36 by the department, including any necessary attachments. Beginning the  
37 month following receipt of a certification, the department shall  
38 increase or decrease the amount of subsidy provided to the household  
39 in accordance with the subsidy category applicable to the most recent  
40 reported income, provided that limited non-recurring short term  
41 increases in income shall not require a subsidy adjustment<sup>1</sup>; and

42 (11) during the course of the payment period, if a participant  
43 household experiences conditions that violate the implied warranty of  
44 habitability, the tenant may so certify those conditions to the  
45 department in writing. Based on the tenant's written certification, the  
46 department shall have an inspection conducted on the dwelling. Upon  
47 confirmation that the violation of the implied warranty of habitability

1 exists, the department shall, after serving the landlord with written  
2 notification of such violation and providing the landlord with  
3 sufficient opportunity to cure, consider whether and in what amount to  
4 withhold rent based on those conditions<sup>1</sup>.

5 c. Notwithstanding any other law or regulation to the contrary, any  
6 revisions to <sup>1</sup>**the** existing<sup>1</sup> program regulations or operating  
7 procedures required by this section shall take effect immediately.

8 d. <sup>1</sup>**At least 30 days prior to the expiration of the covered period**  
9 As soon as possible following the enactment of P.L. , c. (C. )  
10 (pending before the Legislature as this bill), and no later than August  
11 31, 2021<sup>1</sup>, the department shall implement a comprehensive public  
12 information plan to create awareness among eligible tenants of the  
13 assistance provided by the program <sup>1</sup>and the provisions of section 3 of  
14 P.L. , c. (C. ) (pending before the Legislature as this bill)  
15 prohibiting eviction and providing credit protection relating to  
16 nonpayment or habitual late payment of rent, or failure to pay a rent  
17 increase, during the covered period<sup>1</sup>. This plan shall include but not  
18 be limited to public service announcements, information about the  
19 program in governmental notices and utility providers billings, notices  
20 to landlords as to how to assist their tenants in applying for the  
21 program, outreach to underserved populations, <sup>1</sup>including, but not  
22 limited to providing all information in both English and Spanish,<sup>1</sup>  
23 postings on social media, and any other means likely to ensure that  
24 tenants will be aware of the <sup>1</sup>**programs** program's<sup>1</sup> existence <sup>1</sup>,  
25 tenant protections, tenant attestation, and the provisions of section 3 of  
26 P.L. , c. (C. ) (pending before the Legislature as this bill)<sup>1</sup>. In  
27 addition, the department shall prepare a form notice <sup>1</sup>, which shall  
28 include the tenant attestation, in languages including, but not limited  
29 to, English and Spanish,<sup>1</sup> describing the program <sup>1</sup>and the provisions  
30 of section 3 of P.L. , c. (C. ) (pending before the Legislature as  
31 this bill)<sup>1</sup> and <sup>1</sup>shall<sup>1</sup> distribute the notice to <sup>1</sup>**all**<sup>1</sup> landlords for  
32 inclusion with any notice or complaint sent to a tenant related to an  
33 eviction for nonpayment of rent <sup>1</sup>, habitual late payment, or failure to  
34 pay a rent increase, or an action seeking repayment of rental arrears  
35 pursuant to P.L. , c. (C. ) (pending before the Legislature as  
36 this bill). The notice shall also be posted on the department's Internet  
37 website<sup>1</sup>. Prior to the end of covered period, the landlord shall post  
38 <sup>1</sup>**a written notice** the form notice provided by the department<sup>1</sup> in a  
39 conspicuous location within the common area of a multiple dwelling  
40 <sup>1</sup>**highlighting the potential availability of rental assistance from the**  
41 Eviction and Homelessness Prevention Program and other  
42 governmental assistance programs included in the department's form  
43 notice<sup>1</sup>.

44 e. <sup>1</sup>As soon as possible following the enactment of P.L. , c.  
45 (C. ) (pending before the Legislature as this bill), and no later than  
46 August 31, 2021, the commissioner shall start accepting applications

1 for assistance through the Eviction Prevention Program, as revised  
2 pursuant to this section.<sup>1</sup>

3 (1) A program application shall state the <sup>1</sup>【total amount of rent  
4 due from the landlord's residential tenants】 monthly rent as<sup>1</sup>  
5 established in the <sup>1</sup>【corresponding leases】 lease or other rental  
6 agreement<sup>1</sup>, the amount <sup>1</sup>of rent<sup>1</sup> paid by the <sup>1</sup>【tenants】 tenant<sup>1</sup> or  
7 third parties, if any, the amount <sup>1</sup>of rent<sup>1</sup> unpaid, the amount of  
8 security deposit funding that the <sup>1</sup>【landlord's tenants have】 tenant  
9 has<sup>1</sup> applied against rent pursuant to Executive Order No. 128 of 2020,  
10 and any other information required by the department for determining  
11 financial need.

12 (2) An application shall include a certification by the tenant as to:

13 (a) the number of occupants of the unit;

14 (b) the tenant household's income; and

15 (c) if a specific funding source is involved, a certification <sup>1</sup>and any  
16 documentation<sup>1</sup> providing the minimum amount of information needed  
17 to comply with the requirements of that funding source.

18 The commissioner shall make the application forms and related  
19 verification requirements as simple as possible, shall require the  
20 minimum documentation permissible by said funding sources, and  
21 shall rely on self-certification and verification to the greatest extent  
22 possible. Any certifications made by a tenant under this program shall  
23 remain confidential to the maximum extent possible.

24 <sup>1</sup>【(3) A residential tenant household applying for assistance shall  
25 be deemed presumptively eligible if it meets the income requirements  
26 and is in need of the immediate provision of assistance to avoid an  
27 eviction filing, judgment for possession, or actual displacement. Such  
28 assistance as is needed shall be provided, and shall be extended in  
29 monthly increments as necessary in order for the application process,  
30 including any administrative appeals, to be completed and a final  
31 determination made with regard to eligibility. A court of this State  
32 may take into consideration any pending application for rental  
33 assistance with regard to the timing of the entry of a judgment for  
34 possession.】<sup>1</sup>

35 f. The program established by this section shall work closely with  
36 the Office of Eviction Prevention established by section 5 of P.L. , c.  
37 (C. ) (pending before the Legislature as this bill) in order to (1)  
38 ensure that tenants receive the maximum assistance for which they are  
39 qualified to avoid displacement and retain or obtain decent, affordable,  
40 safe and suitable housing; and (2) ensure that all available sources of  
41 potential assistance are explored and utilized in order to effectively  
42 and efficiently extend the reach and efficacy of the funding provided  
43 to this program by the State.

44  
45 5. (New section) a. Within <sup>1</sup>【30】 60<sup>1</sup> days of the enactment of  
46 P.L. , c. (C. ) (pending before the Legislature as this bill), the

1 department shall establish an "Office of Eviction Prevention," which  
2 shall be responsible for:

3 (1) identifying all federal, State, local and other sources of  
4 financial assistance which are intended or could be used to prevent the  
5 eviction of residential tenants, including but not limited to programs  
6 which provide both deep and shallow rental subsidies;

7 (2) becoming knowledgeable with regard to the application  
8 process for each such program; and

9 (3) identifying, and proposing remedies for, the gaps in the overall  
10 assistance system, especially in relation to eligibility requirements and  
11 the need for addition to, or revision of, subsidy programs so as to  
12 provide appropriate assistance of various sorts and in various amounts  
13 to households at different income levels.

14 b. This office shall be responsible for the compilation,  
15 publication, and ongoing update of this information, and shall also be  
16 responsible for <sup>1</sup>identifying and training working collaboratively  
17 with<sup>1</sup> at least one non-profit, community-based organization in each  
18 county <sup>1</sup>with regard to so that such organizations are able to provide  
19 information regarding<sup>1</sup> the availability of and means of accessing such  
20 financial assistance by at-risk tenants.

21

22 6. Section 1 of P.L.2020, c.1 (C.2A:18-59.3) is amended to  
23 read as follows:

24 1. a. <sup>1</sup>(1)<sup>1</sup> Notwithstanding any other law to the contrary,  
25 whenever a Public Health Emergency, pursuant to the "Emergency  
26 Health Powers Act," P.L.2005, c.222 (C.26:13-1 et seq.) **],** or a  
27 State of Emergency, pursuant to P.L.1942, c.251 (C.App.A.9-33 et  
28 seq.), or both,**]** has been declared by the Governor in response to  
29 the COVID-19 pandemic and is in effect, the Governor may issue  
30 an executive order to declare that a lessee, tenant, homeowner or  
31 any other person shall not be removed from a residential property as  
32 the result of an eviction <sup>1</sup>action based on the nonpayment or  
33 habitual late payment of rent<sup>1</sup> or foreclosure proceeding. This  
34 executive order shall remain in effect **]**for no longer than two  
35 months following the end of the Public Health Emergency or State  
36 of Emergency **]** <sup>1</sup>until July 31, 2021, except that the executive  
37 order may be extended if there is substantial evidence that  
38 hospitalizations and deaths due to the COVID-19 pandemic are  
39 likely to recur or substantially worsen if an extension is not ordered.  
40 The Governor shall adjust the executive order issued pursuant to  
41 P.L.2020, c.1 (C.2A:18-59.3) through the issuance of a subsequent  
42 executive order, in order to comply with P.L. , c. (C. )  
43 (pending before the Legislature as this bill)**]** for no longer than two  
44 months following the end of the Public Health Emergency except as  
45 provided in paragraphs (2) and (3) of this subsection <sup>1</sup>.

46 <sup>1</sup>(2) (a) For eviction actions based upon reasons other than  
47 nonpayment or habitual late payment of rent, or failure to pay a rent

1 increase, Executive Order No. 106 of 2020 shall expire upon the  
2 effective date of P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before the  
3 Legislature as this bill).

4 (b) For eviction actions based upon nonpayment or habitual late  
5 payment of rent, or failure to pay a rent increase, Executive Order  
6 No. 106 of 2020 shall expire on August 31, 2021, for any lessee or  
7 tenant who is not a very low-income, low-income, or moderate-  
8 income household.

9 (c) For eviction actions based upon nonpayment or habitual late  
10 payment of rent, or failure to pay a rent increase, Executive Order  
11 No. 106 of 2020 shall expire on December 31, 2021, for any lessee  
12 or tenant who is a very low-income, low-income, or moderate-  
13 income household. Provided, however, that the protections  
14 conferred on such tenants by this section shall expire on August 31,  
15 2021, to the extent that such tenants do not comply with the  
16 certification requirements of subsection c. of section 3 of P.L. \_\_\_\_\_, c.  
17 (C. \_\_\_\_\_) (pending before the Legislature as this bill).

18 (d) To the extent that it prohibits the removal from a residential  
19 property as a result of a foreclosure proceeding of any homeowner,  
20 Executive Order No. 106 of 2020 shall expire on November 15,  
21 2021.

22 (e) The Governor shall have the ability to revoke or modify  
23 Executive Order No. 106 of 2020 prior to December 31, 2021 in a  
24 manner not inconsistent with the provisions of this section.

25 (3) Notwithstanding the provisions of paragraph (2) of this  
26 subsection, Executive Order No. 106 of 2020 may be extended  
27 pursuant to the procedures set forth in subsection b. of section 3 of  
28 P.L. 2021, c. 103, if there is substantial evidence that  
29 hospitalizations and deaths due to the COVID-19 pandemic are  
30 likely to recur or substantially worsen if an extension is not  
31 ordered.<sup>1</sup>

32 b. Eviction and foreclosure proceedings may be initiated or  
33 continued during the time of an executive order issued pursuant to  
34 this section, but enforcement of all judgments for possession,  
35 warrants of removal, and writs of possession shall be stayed during  
36 this period if the Governor has issued an executive order prohibiting  
37 certain removals from residential property pursuant to subsection a.  
38 of this section, unless the court determines on its own motion or  
39 motion of the parties that enforcement is necessary in the interest of  
40 justice.

41 c. Sheriffs, court officers, and their agents shall refrain from  
42 acting to remove individuals from residential properties through the  
43 eviction or foreclosure processes during the time of an executive  
44 order issued by the Governor prohibiting certain removals from  
45 residential property pursuant to subsection a. of this section, unless  
46 the court determines on its own motion or motion of the parties that  
47 removal is necessary in the interest of justice.

1 d. As used in this section, "residential property" means any  
 2 property rented or owned for residential purposes, including, but  
 3 not limited to, any house, building, mobile home or land in a mobile  
 4 home park, or tenement leased for residential purposes, but shall not  
 5 include any hotel, motel, or other guest house, or part thereof,  
 6 rented to a transient guest or seasonal tenant, or a residential health  
 7 care facility.

8 (cf: P.L.2020, c.1, s.1)

9  
 10 7. (New section) The following sums are appropriated from the  
 11 funds provided to the State by the United States government for the  
 12 purpose of providing relief to tenants affected in any way due to the  
 13 COVID-19 pandemic: for the "Eviction <sup>1</sup>~~and Homelessness~~<sup>1</sup>  
 14 Prevention Program" the sum of \$750,000,000; for the Office of  
 15 Eviction Prevention the sum of \$5,000,000. <sup>1</sup>Of the monies  
 16 appropriated, the department shall use \$500,000,000 as assistance for  
 17 very-low, low-, moderate-, and middle-income tenants. The remainder  
 18 may be used as utility assistance.<sup>1</sup> The department may use up to  
 19 <sup>1</sup>~~[\$20,000,000]~~ 2.5 percent<sup>1</sup> of the sums appropriated pursuant to this  
 20 section for the purpose of funding those actions needed to effectively  
 21 implement and administer the Eviction <sup>1</sup>~~and Homelessness~~<sup>1</sup>  
 22 Prevention Program, \$2,000,000 million of which shall be provided to  
 23 nonprofit organizations for supporting the education and outreach for  
 24 this program. <sup>1</sup>~~Additional federal funding for emergency rental~~  
 25 ~~assistance related to the COVID-19 pandemic shall be appropriated to~~  
 26 ~~the foregoing programs as it becomes available.]~~<sup>1</sup> Households  
 27 otherwise ineligible for assistance using federal funds shall be assisted  
 28 with State funds.

29  
 30 <sup>1</sup>8. Section 14 of P.L.1991 c.177 (C.22A:2-37.1) is amended to  
 31 read as follows:

32 14. a. In all civil actions and proceedings in the Special Civil  
 33 Part of the Superior Court, Law Division, only the following fees  
 34 shall be charged by the clerk and no service shall be performed until  
 35 the specified fee has been paid:

36 (1) Filing of small claim, one defendant	\$15.00
37 Each additional defendant	\$ 2.00
38 (2) Filing of complaint in tenancy,	
39 one defendant	\$25.00
40 Each additional defendant	\$ 2.00
41 (3) (a) Filing of complaint or other initial	
42 pleading containing a counterclaim, cross-claim	
43 or third party complaint in all other civil actions,	
44 whether commenced without process or by summons,	
45 capias, replevin or attachment where the amount	
46 exceeds the small claims monetary limit	\$50.00
47 Each additional defendant	\$ 2.00

1	(b) Filing of complaint or other initial	
2	pleading containing a counterclaim, cross-claim	
3	or third party complaint in all other civil actions,	
4	whether commenced without process or by summons,	
5	capias, replevin or attachment where the amount	
6	does not exceed the small claims monetary limit	\$32.00
7	Each additional defendant	\$ 2.00
8	(4) Filing of appearance or answer	
9	to a complaint or third party complaint in all	
10	matters except small claims	\$15.00
11	(5) Service of Process: Fees for service of process, including:	
12	summons by mail, each defendant; summons by mail each	
13	defendant at place of business or employment with postal	
14	instructions to deliver to addressee only; reservice of summons by	
15	mail, each defendant; postage for substituted service of process by	
16	the clerk upon the Chief Administrator of the New Jersey Motor	
17	Vehicle Commission in addition to the substituted service fee	
18	provided below; and wage execution by mail to a federal agency,	
19	shall be set by the Administrative Director of the Courts. The fee	
20	for service of process shall not exceed the postal rates for ordinary	
21	and certified mail, return receipt requested, and may include an	
22	administrative fee that shall not exceed \$0.25 for each defendant	
23	served with process by mail. The total service of process fee shall	
24	be rounded upward to the nearest dollar. For the purposes of this	
25	paragraph, service of process means the simultaneous mailing by	
26	ordinary and certified mail, return receipt requested, to the	
27	defendant at the address provided by the plaintiff.	
28	Reservice of summons or other original process by	
29	court officer, one defendant	\$ 3.00
30	plus mileage	
31	Each additional defendant	\$ 2.00
32	plus mileage	
33	Substituted service of process by the clerk upon	
34	the Chief Administrator of the	
35	New Jersey Motor Vehicle Commission	\$10.00
36	(6) <b>【Mileage of court officer in】</b> <del>For</del> serving or executing any	
37	process, writ, order, execution, notice, or warrant <b>【</b> , the distance to	
38	be computed by counting the number of miles in and out, by the	
39	most direct route from the place where process is issued, at the	
40	same rate per mile set by the State for other State employees and	
41	the total mileage fee rounded upward to the nearest dollar <b>】</b> <u>\$ 7.00</u>	
42	(7) Jury of six persons	\$50.00
43	(8) Warrant for possession in tenancy	\$15.00
44	(9) Warrant to arrest, commitment	
45	or writ of capias ad respondendum, each defendant	\$15.00
46	(10) Writ of execution or an order in	
47	the nature of execution, writs of replevin and	
48	attachment issued subsequent to summons	\$ 5.00

1	(11) For advertising property under execution	
2	or any order	\$10.00
3	(12) For selling property under	
4	execution or any order	\$10.00
5	(13) Exemplified copy of judgment	
6	(two pages)	\$ 5.00
7	each additional page	\$ 1.00
8	b. (Deleted by amendment, P.L.2002, c.34).	
9	c. (Deleted by amendment, P.L.2002, c.34).	
10	d. (Deleted by amendment, P.L.2009, c.32). <sup>1</sup>	
11	(cf: P.L.2009, c.32, s.1)	
12		
13	<sup>1</sup> 9. Section 15 of P.L.1991, c.177 (C.22A:2-37.2) is amended to	
14	read as follows:	
15	15. a. From the fees set forth in section 14 of P.L.1991, c.177	
16	(C.22A:2-37.1), the clerk of the Special Civil Part of the Superior	
17	Court, Law Division, shall pay to officers designated by the	
18	Assignment Judge to serve process the following fees:	
19	(1) Serving summons, notice or	
20	third party complaint on one defendant	\$ 3.00
21	on every additional defendant	\$ 2.00
22	(2) Reserving summons or other	
23	original process on any defendant	\$ 3.00
24	(3) Warrant to arrest, capias, or	
25	commitment, for each defendant served	\$15.00
26	(4) Serving writ and summons in	
27	replevin, taking bond and any inventory, against	
28	one defendant	\$ 6.00
29	on every additional defendant	\$ 2.00
30	(5) Serving writ in replevin when	
31	issued subsequent to service of summons,	
32	against one defendant	\$ 5.00
33	on every additional defendant	\$ 2.00
34	(6) Serving order for possession	
35	in replevin	\$ 4.00
36	(7) Serving writ of attachment and	
37	making inventory, one defendant	\$ 4.00
38	on every additional defendant	\$ 2.00
39	(8) Serving and executing warrant	
40	for possession in tenancy	\$10.00
41	(9) Every execution, or any order in	
42	the nature of an execution, on a judgment, for	
43	each defendant	\$ 2.00
44	b. For <b>【</b> every mile of travel in <b>】</b> serving or executing any	
45	process, writ, order, execution, notice or warrant <b>【</b> ,	
46	the distance to be computed by counting the number of miles in and out, by the	
47	most direct route from the place where process is issued, at the	

1 same rate per mile set by the State for other State employees and  
2 the total mileage fee rounded upward to the nearest dollar. **】 \$ 7.00**

3 c. In addition to the foregoing, the following fees for officers  
4 of the Special Civil Part shall be taxed in the costs and collected on  
5 execution, writ of attachment or order in the nature of any execution  
6 on any final judgment, or on a valid and subsisting levy of an  
7 execution or attachment which may be the effective cause in  
8 producing payment or settlement of a judgment or attachment:

9 (1) For advertising property  
10 under execution or any order \$10.00

11 (2) For selling property under  
12 execution or any order \$10.00

13 (3) On every dollar collected on  
14 execution, writ of attachment, or any order, \$ 0.10.

15 (4) In the event a judgment is vacated for any reason after a  
16 court officer has made a levy and thereafter the judgment is  
17 reinstated or the case is settled, the dollarage due the court officer  
18 on payment of the judgment amount or settlement amount again  
19 shall be taxed in the costs and collected.

20 d. In addition to the foregoing, the clerk of the Special Civil  
21 Part shall pay to officers designated by the Assignment Judge to  
22 serve wage executions on a federal agency an amount equal to the  
23 fee set by either the Administrative Director of the Courts pursuant  
24 to paragraph (5) of subsection a. of section 14 of P.L.1991, c.177  
25 (C.22A:2-37.1) or set pursuant to subsection d. of that section,  
26 whichever then may be applicable, for each wage execution  
27 served.<sup>1</sup>

28 (cf: P.L.2003, c.259, s.2)

29

30 <sup>1</sup>**【8.】 10.**<sup>1</sup> This act shall take effect immediately.

31

32

33

34

35 Provides financial relief to certain landlords and tenants in  
36 response to COVID-19 pandemic, adjusts certain court fees; and  
37 makes appropriations.

**CHAPTER 188**  
**(CORRECTED COPY OF CORRECTED COPY)**

**AN ACT** relating to matters of civil law by providing financial relief to certain landlords and tenants in response to the COVID-19 pandemic and by altering certain court fees, supplementing Title 52 of the Revised Statutes, and amending P.L.2020, c.1 and P.L.1991 c.177, and making an appropriation.

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

C.52:27D-287.7 Findings, declarations.

1. The Legislature finds and declares that:

a. The mortal threat posed by the COVID-19 pandemic compelled the Governor and Legislature to take drastic but necessary action. Executive Order No. 103 of 2020 effectively shut down the New Jersey economy on March 9, 2020, in order to hinder the rapid spread of the virus and to limit as much as possible the number of infections, severe illnesses, and deaths. During the same time period, the Governor and Legislature enacted P.L.2020, c.1 (C.2A:18-59.3) and the Governor issued Executive Order No. 106 of 2020, and implemented a moratorium on evictions, so as to ensure that during the covered period, households would be able to shelter in place and eliminate the threat posed by displacement, overcrowding, and the resultant spread of the virus.

b. The foregoing measures caused severe economic difficulties for landlords and tenants alike. Tenants, who in general have lower-incomes and far less wealth than homeowners, have been disproportionately affected: a large number of them immediately became and remain unemployed or underemployed. This is especially so for lower-income people of color, who are predominantly tenants and who continue to be victimized by systemic and structural racism, which has left them severely disadvantaged and extremely vulnerable to health emergencies and economic downturns.

c. Millions of jobs in our State and elsewhere have been permanently lost, and a significant number of jobs abruptly interrupted by the virus-driven shutdown have yet to return.

d. As a result, thousands of tenants in our State are unable to pay all or even part of the rental arrearages caused by the pandemic when the moratorium ends, and these tenants will also find it extremely difficult to make their future, ongoing regular monthly rental payments once they resume.

e. An overwhelming number of struggling tenant households, that are disproportionately Black and brown, will therefore be at risk of eviction for non-payment of all or part of their rent due and owing shortly after the moratorium is lifted. Combining the number of struggling tenants with the number of people at risk of displacement if the arrearage and future rent payment issues are not addressed, evictions and the resulting overcrowding, could create conditions that will lead to a resurgence and new spread of COVID-19.

f. At the same time, landlords have shouldered the financial burden of housing over a million tenants, as well as the costs of maintaining the buildings, paying their mortgages, taxes, and other financial obligations with insufficient help from the State or federal government.

g. While housing is a necessity, private sector landlords have thus far maintained their properties and paid their financial obligations, including State and local taxes, despite a lack of full compensation or assistance.

h. In Executive Order No. 106 of 2020, the Governor expressly stated that protection and preservation of personal and public health was the primary reason driving the imposition of the economic shutdown and eviction moratorium, a health-centered concern echoed and reinforced by the national eviction moratorium subsequently mandated by the federal Centers for Disease

Control and Prevention. With the surge in vaccinations and a corresponding drop in COVID-19 pandemic-related hospitalizations, the public health justification to maintain the eviction moratorium will eventually subside, and the Legislature deems it necessary to help struggling tenants avoid displacement and to compensate landlords for providing this necessary shelter to many tenants without compensation during the pandemic.

i. In providing these protections, the State must ensure that rent arrearages accrued during the covered period are not used as a mechanism for eviction. Rather, such debt shall be treated as civil debt, subject to recovery by the landlord in a civil suit for a money judgment, which will balance the obligations of the tenant under a lease contract with the need to provide housing stability.

j. It is, therefore, necessary for the Legislature to assist landlords who have suffered deep economic losses through no fault of their tenants or themselves, and, simultaneously, make efforts to assist tenants who need help as a result of this crisis, in order to ensure some measure of security and stability for their families and communities; provide landlords with the restored rental income stream required to safely and efficiently operate their buildings; and prevent a resurgence of the COVID-19 pandemic that will threaten the health and safety of tenants, landlords, and the public at large.

C.52:27D-287.8 Definitions.

2. As used in P.L.2021, c.188 (C.52:27D-287.7 et al.):

“Area median income” means the median income by household size for an applicable county as determined by the department. “Assistance” means cash payments for unpaid rent provided to the landlord by any federal, State, county, or local rental assistance program, including, but not limited to, payments ultimately provided to a landlord through an application submitted by a tenant through the Eviction Prevention Program, as established pursuant to section 4 of P.L.2021, c.188 (C.52:27D-287.10).

“Commissioner” means the Commissioner of Community Affairs.

“Covered period” means the period beginning on March 1, 2020, and ending on August 31, 2021.

“COVID-19 pandemic” means the outbreak of COVID-19 throughout the world, recognized as a pandemic by the World Health Organization on March 11, 2020.

“Credit reporting agency” means any consumer reporting agency as that term is defined by the federal “Fair Credit Reporting Act,” 15 U.S.C. s.1681 et seq., which shall include any agencies which specialize in tenant screening or rental history reporting.

“Deep subsidy” means a rental housing subsidy which limits the tenant’s share of the monthly rent to a percentage of the tenant’s income, and which can be adjusted to maintain that percentage should the tenant’s income change.

“Department” means the Department of Community Affairs.

“Household income” means the lower of the following numbers: (1) the combined income of all household members over the twelve months immediately preceding an application for assistance or protection, or (2) the combined income of all household members in the three months immediately preceding an application for assistance or protection, annualized by multiplying the combined income by a factor of four.

“Low-income household” means a household with a total current annual household income equal to 50 percent or less of the area median income for a household of the same size and composition.

“Middle-income household” means a household with a total current gross annual household income of 80 percent or more than, but less than 120 percent of, the area median income for a household of the same size and composition.

“Moderate-income household” means a household with a total current gross annual household income in excess of 50 percent but less than 80 percent of the area median income for a household of the same size and composition.

“Shallow subsidy” means a rental housing subsidy that limits the tenant’s share of the rent to a percentage of the tenant’s income, provided however, that the subsidy shall be capped at a fixed amount.

“Very low-income household” means a household with a total current annual household income less than or equal to 30 percent of the area median income for a household of the same size and composition.

C.52:27D-287.9 Eviction under certain circumstances prohibited.

3. a. Notwithstanding any other law to the contrary, no residential tenant of a very low-income household, low-income household, moderate-income household, or middle-income household shall be evicted based upon nonpayment or habitual late payment of rent, or failure to pay a rent increase, that accrued during the covered period. Payments made by a tenant after the covered period ends shall be credited first to the current month’s rental obligation, and any balance shall be credited to any arrearage owed by the tenant incurred following the conclusion of the covered period, and then to any arrearages incurred during the covered period.

b. Any amount of rent found by a court to be due and owing by a residential tenant described in subsection a. of this section to a landlord during the covered period for which compensation is not otherwise provided by any public or private source, shall be considered civil debt and may be pursued as a money judgment in the appropriate division of the Superior Court. Such civil debt based on rental arrears shall be considered evidence of housing instability or risk of homelessness for the purpose of qualifying a household for rental assistance under any federal, State, county, or local program, including, but not limited to, the Eviction Prevention Program, as revised pursuant to section 4 of P.L.2021, c.188 (C.52:27D-287.10).

c. Notwithstanding any law to the contrary, no person shall sell or assign any civil debt relating to rent that accrued during the covered period.

d. Any amount of rent due and owing either prior to the start of the covered period or after the covered period ends may be pursued in the manner allowed by law for any other landlord-tenant action for rent due outside of the covered period. The provisions of P.L.2021, c.188 (C.52:27D-287.7 et al.) shall not restrict a landlord from pursuing a money judgment action during the covered period, or following the covered period, for unpaid rent due during the covered period. An action by a landlord against a residential tenant to recover unpaid rent which accrued during the covered period may be commenced in the Superior Court, Special Civil Part, regardless of the amount in controversy. The Administrative Director of the Courts may take any administrative action as may be necessary to provide a process for filing these actions in the Superior Court, Special Civil Part.

(1) (a) Notwithstanding the provisions of this section to the contrary, any tenant of a very low-income household, a low-income household, or a moderate-income household shall have continued protections from evictions as those that are applicable during the covered period pursuant to subsections a. and b. of this section for residential rent arrearages incurred

from the end of the covered period through December 31, 2021 if the household certifies under penalty of perjury:

(i) the household's income;

(ii) that the household was unable to pay rent due to circumstances arising from the COVID-19 pandemic; and

(iii) that the household has applied for State, county, or local rental assistance programs for which they are eligible.

(b) The certification required by subparagraph (a) of this paragraph shall be made on a form established by the department. The tenant shall provide a copy of the completed form to the landlord, and, if there is a pending eviction action, to the court.

(2) The Administrative Director of the Courts shall provide notice to any residential tenant who is party to a landlord-tenant dispute for nonpayment of rent that includes information regarding tenant protections, income and COVID-19 impact attestation, and rental assistance programs established pursuant to P.L.2021, c.188 (C.52:27D-287.7 et al.).

e. All pending eviction actions alleging nonpayment or habitual late payment of residential rent, or failure to pay a rent increase, that accrued during the covered period shall be dismissed upon certification by the tenant, under penalty of perjury, in accordance with subparagraph (b) of paragraph (1) of subsection d. of this section that the tenant is a very low-income household, low-income household, moderate-income household, or middle-income household and that the reason for filing was nonpayment or habitual late payment of rent, or failure to pay a rent increase, during the covered period.

f. If a case is dismissed and the landlord is required to subsequently file against the same tenant, the landlord may request that the case be reinstated with the court. In such circumstances the landlord shall pay the fees to serve the amended action, but no court filing fees shall be required.

g. A tenant in such an action shall retain the right to assert any and all counterclaims, setoffs, legal defenses, affirmative defenses, and equitable defenses that would otherwise be available to them.

h. As a condition of receiving any State or federal rental assistance on behalf of a tenant for rent due and owing, a landlord shall waive all late fees assessed for rent unpaid during the period for which assistance is being provided.

i. (1) Consistent with the provisions of 15 U.S.C. s.1681s-2(a)(1)(F), a landlord shall not at any time furnish information about the nonpayment or late payment of residential rent, or failure to pay a rent increase, which accrued during the covered period, or summary dispossess or other court filings or proceedings related to non-payment or late payment of residential rent which accrued during the covered period, directly to another residential landlord, or to a debt collection or credit reporting agency. This paragraph shall not:

(a) apply to a tenant's rent payments that remain due as the result of a payment missed prior to the March 1, 2020, including payments held in escrow before that date; or

(b) limit the ability of a landlord to share information with the landlord's attorney or property management company, or to notice the tenant in compliance with the Anti-Eviction Act, P.L.1974, c.49 (C.2A:18-61.1 et seq.).

(2) As a result of any record or information reflecting a tenant's non-payment or late payment of residential rent, or a related court filing, during the covered period, a landlord shall not:

(a) refuse to rent to a prospective tenant of residential rental housing; or

(b) place, or disseminate a residential tenant's information for the purpose of placing, a tenant on a list for the use of other landlords for any purpose.

(3) In addition to a tenant's right to pursue an action seeking injunctive or declaratory relief for a violation of this subsection, the Attorney General, in response to a complaint from a tenant, or on the Attorney General's independent initiative, may bring an action alleging a landlord has violated the provisions of this subsection. Regarding a first violation, the court shall provide the landlord with an opportunity to correct the violation prior to imposing a penalty. Following the provision of this opportunity to correct any first violation, upon a finding that non-compliance with this subsection has occurred, a court of competent jurisdiction may:

(a) order the non-compliant landlord to retract the report of debt or court filing data provided to the collection or credit reporting agency, bureau, or data collection facility;

(b) impose a fine on the non-compliant landlord, not to exceed \$500 for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation;

(c) order the non-compliant landlord to pay a reasonable counsel fee in connection with a tenant whose debt has been reported to a debt collection or credit reporting agency, bureau, or data collection facility;

(d) provide a copy of the order immediately upon the request of the tenant and at no cost to the tenant;

(e) order the non-compliant landlord to take such steps as are necessary, within 30 days of the order, to rehabilitate the credit record of the tenant, with an exact copy provided to the tenant at no cost, of the efforts made in that regard; and

(f) if the tenant is able to show actual damages that have resulted from a violation of this section, order the non-compliant landlord to pay an award of damages to the tenant not to exceed 25 percent of the debt attempted to be collected or reported by the non-complaint landlord to the collection or credit reporting agency, bureau, or data collection facility, with a minimum award of \$350.

(4) If a landlord furnishes rental payment data to another landlord, collection or credit reporting agency related to the non-payment of rent during the covered period, but before the enactment of P.L.2021, c.188 (C.52:27D-287.7 et al.), the landlord shall not be subject to the penalty provisions of this section, except for an order to retract the report pursuant to paragraph (3) of this subsection.

C.52:27D-287.10 "Eviction Prevention Program."

4. a. The commissioner shall establish an "Eviction Prevention Program" to provide rental relief for New Jersey residents who have been or continue to be unable to pay rent because of financial hardship directly or indirectly incurred because of the COVID-19 pandemic.

b. The commissioner shall administer the program in accordance with the following principles, and, notwithstanding the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall publish regulatory guidance to that effect:

(1) The Eviction Prevention Program shall be considered a supplement to the COVID-19 Emergency Rental Assistance Program Phase II (CVERAP II) program opened by the department on March 22, 2021. Accordingly, to the greatest extent allowable and feasible, the department should utilize programmatic infrastructure, processes, and vendor contracts established under CVERAP II in order to administer relief under the Eviction Prevention Program;

(2) a household shall be eligible to participate in the program if the household is unable to make residential rental payments which are due and owing pursuant to a valid and enforceable oral or written lease, stipulation of settlement, judgment, order or other type of legally binding agreement, because of a financial hardship sustained as a result of the COVID-19 pandemic;

(3) a household shall be eligible for assistance under this program regardless of whether the household has been served with a summons and complaint for eviction;

(4) a household shall be eligible for assistance if their annualized current income is no more than 120 percent of the area median income; however, the commissioner may establish funding priorities to benefit very low-income and low-income households;

(5) a household shall be eligible for assistance under this program although it may be unlikely for the household to have the ability to pay shelter costs after the period of assistance has ended;

(6) a household may utilize the assistance to pay current rent, accrued rent, and future rent, as determined by the department;

(7) the department shall award grants to be paid on behalf of eligible households to be applied to up to two years of rent, depending upon the person's or household's particular circumstances and available funds in the program. The department shall provide assistance along a continuum based upon the income level of the tenant household, and shall include deep subsidies, shallow subsidies, and flat amounts. Grants representing fewer than two years' worth of rental assistance may be renewed based on a renewed showing of need by the individual or household. Notwithstanding the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner shall prepare detailed guidance covering the amount and duration of such grants. Any grants that are provided to cover ongoing rent shall be awarded in accordance with the following guidelines and principles:

(a) for a very low-income household, a deep subsidy may be provided in the amount necessary to limit the household's share of ongoing rent to not more than 30 percent of the household's income;

(b) for a low- or moderate- income household that is not also very low-income, a shallow subsidy may be provided in the amount necessary to limit the household's share of ongoing rent to not more than 30 percent of the household's income, provided, however, that the amount of any such subsidy shall not exceed \$800 per month;

(c) for a middle-income household, assistance in the form of a subsidy may be provided in the amount necessary to limit the household's share of ongoing rent to not more than 30 percent of the household's income, provided, however, that the amount of any such subsidy shall not exceed \$500 per month.

(8) To qualify for rental assistance under the program, households shall demonstrate that a person in the household:

(a) qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship, directly or indirectly, to the COVID-19 pandemic;

(b) demonstrates a risk of experiencing homelessness or housing instability;

(c) falls within a household income threshold that establishes eligibility for rental assistance under the program;

(d) has a lack of assets and savings to pay rent arrears or current and future rent;

(e) is a New Jersey resident; and

(f) is obligated to pay rent on a residential dwelling.

A household that has previously received rental assistance under CVERAP II may apply for additional assistance under the Eviction Prevention Program, but any additional grant of assistance shall take into account the rental assistance previously provided pursuant to CVERAP II.

(9) during the course of the payment period, if the department is notified by either the landlord or the program participant that a person or household has begun to experience difficulty

paying rent as a result of continued hardships suffered as a result of the COVID-19 pandemic, the household's income and family situation shall be reevaluated in light of the changed conditions, and the person or household shall be placed in a different assistance tier, if necessary, to prevent eviction;

(10) during the course of the payment period, a participant household shall certify the household's current income once every six months, using a brief form to be developed by the department, including any necessary attachments. Beginning the month following receipt of a certification, the department shall increase or decrease the amount of subsidy provided to the household in accordance with the subsidy category applicable to the most recent reported income, provided that limited non-recurring short term increases in income shall not require a subsidy adjustment; and

(11) during the course of the payment period, if a participant household experiences conditions that violate the implied warranty of habitability, the tenant may so certify those conditions to the department in writing. Based on the tenant's written certification, the department shall have an inspection conducted on the dwelling. Upon confirmation that the violation of the implied warranty of habitability exists, the department shall, after serving the landlord with written notification of such violation and providing the landlord with sufficient opportunity to cure, consider whether and in what amount to withhold rent based on those conditions.

c. Notwithstanding any other law or regulation to the contrary, any revisions to existing program regulations or operating procedures required by this section shall take effect immediately.

d. As soon as possible following the enactment of P.L.2021, c.188 (C.52:27D-287.7 et al.), and no later than August 31, 2021, the department shall implement a comprehensive public information plan to create awareness among eligible tenants of the assistance provided by the program and the provisions of section 3 of P.L.2021, c.188 (C.52:27D-287.9) prohibiting eviction and providing credit protection relating to nonpayment or habitual late payment of rent, or failure to pay a rent increase, during the covered period. This plan shall include but not be limited to public service announcements, information about the program in governmental notices and utility providers billings, notices to landlords as to how to assist their tenants in applying for the program, outreach to underserved populations, including, but not limited to providing all information in both English and Spanish, postings on social media, and any other means likely to ensure that tenants will be aware of the program's existence, tenant protections, tenant attestation, and the provisions of section 3 of P.L.2021, c.188 (C.52:27D-287.9). In addition, the department shall prepare a form notice, which shall include the tenant attestation, in languages including, but not limited to, English and Spanish, describing the program and the provisions of section 3 of P.L.2021, c.188 (C.52:27D-287.9) and shall distribute the notice to landlords for inclusion with any notice or complaint sent to a tenant related to an eviction for nonpayment of rent, habitual late payment, or failure to pay a rent increase, or an action seeking repayment of rental arrears pursuant to P.L.2021, c.188 (C.52:27D-287.7 et al.). The notice shall also be posted on the department's Internet website. Prior to the end of the covered period, the landlord shall post the form notice provided by the department in a conspicuous location within the common area of a multiple dwelling.

e. As soon as possible following the enactment of P.L.2021, c.188 (C.52:27D-287.7 et al.), and no later than August 31, 2021, the commissioner shall start accepting applications for assistance through the Eviction Prevention Program, as revised pursuant to this section.

(1) A program application shall state the monthly rent as established in the lease or other rental agreement, the amount of rent paid by the tenant or third parties, if any, the amount of rent

unpaid, the amount of security deposit funding that the tenant has applied against rent pursuant to Executive Order No. 128 of 2020, and any other information required by the department for determining financial need.

(2) An application shall include a certification by the tenant as to:

(a) the number of occupants of the unit;

(b) the tenant household's income; and

(c) if a specific funding source is involved, a certification and any documentation providing the minimum amount of information needed to comply with the requirements of that funding source.

The commissioner shall make the application forms and related verification requirements as simple as possible, shall require the minimum documentation permissible by said funding sources, and shall rely on self-certification and verification to the greatest extent possible. Any certifications made by a tenant under this program shall remain confidential to the maximum extent possible.

f. The program established by this section shall work closely with the Office of Eviction Prevention established by section 5 of P.L.2021, c.188 (C.52:27D-287.11) in order to (1) ensure that tenants receive the maximum assistance for which they are qualified to avoid displacement and retain or obtain decent, affordable, safe and suitable housing; and (2) ensure that all available sources of potential assistance are explored and utilized in order to effectively and efficiently extend the reach and efficacy of the funding provided to this program by the State.

C.52:27D-287.11 "Office of Eviction Prevention."

5. a. Within 60 days of the enactment of P.L.2021, c.188 (C.52:27D-287.7 et al.), the department shall establish an "Office of Eviction Prevention," which shall be responsible for:

(1) identifying all federal, State, local and other sources of financial assistance which are intended or could be used to prevent the eviction of residential tenants, including but not limited to programs which provide both deep and shallow rental subsidies;

(2) becoming knowledgeable with regard to the application process for each such program; and

(3) identifying, and proposing remedies for, the gaps in the overall assistance system, especially in relation to eligibility requirements and the need for addition to, or revision of, subsidy programs so as to provide appropriate assistance of various sorts and in various amounts to households at different income levels.

b. This office shall be responsible for the compilation, publication, and ongoing update of this information, and shall also be responsible for working collaboratively with at least one non-profit, community-based organization in each county so that such organizations are able to provide information regarding the availability of and means of accessing such financial assistance by at-risk tenants.

6. Section 1 of P.L.2020, c.1 (C.2A:18-59.3) is amended to read as follows:

C.2A:18-59.3 Eviction, foreclosure prohibited during certain emergency circumstances.

1. a. (1) Notwithstanding any other law to the contrary, whenever a Public Health Emergency, pursuant to the "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-1 et seq.) has been declared by the Governor in response to the COVID-19 pandemic and is in effect, the Governor may issue an executive order to declare that a lessee, tenant, homeowner or any other person shall not be removed from a residential property as the result of an eviction or foreclosure proceeding. This executive order shall remain in effect for no longer

than two months following the end of the Public Health Emergency except as provided in paragraphs (2) and (3) of this subsection.

(2) (a) For eviction actions based upon reasons other than nonpayment or habitual late payment of rent, or failure to pay a rent increase, Executive Order No. 106 of 2020 shall expire upon the effective date of P.L.2021, c.188 (C.52:27D-287.7 et al.).

(b) For eviction actions based upon nonpayment or habitual late payment of rent, or failure to pay a rent increase, Executive Order No. 106 of 2020 shall expire on August 31, 2021, for any lessee or tenant who is not a very low-income, low-income, or moderate-income household.

(c) For eviction actions based upon nonpayment or habitual late payment of rent, or failure to pay a rent increase, Executive Order No. 106 of 2020 shall expire on December 31, 2021, for any lessee or tenant who is a very low-income, low-income, or moderate-income household. Provided, however, that the protections conferred on such tenants by this section shall expire on August 31, 2021, to the extent that such tenants do not comply with the certification requirements of subsection d. of section 3 of P.L.2021, c.188 (C.52:27D-287.9).

(d) To the extent that it prohibits the removal from a residential property as a result of a foreclosure proceeding of any homeowner, Executive Order No. 106 of 2020 shall expire on November 15, 2021.

(e) The Governor shall have the ability to revoke or modify Executive Order No. 106 of 2020 prior to December 31, 2021 in a manner not inconsistent with the provisions of this section.

(3) Notwithstanding the provisions of paragraph (2) of this subsection, Executive Order No. 106 of 2020 may be extended pursuant to the procedures set forth in subsection b. of section 3 of P.L.2021, c.103, if there is substantial evidence that hospitalizations and deaths due to the COVID-19 pandemic are likely to recur or substantially worsen if an extension is not ordered.

b. Eviction and foreclosure proceedings may be initiated or continued during the time of an executive order issued pursuant to this section, but enforcement of all judgments for possession, warrants of removal, and writs of possession shall be stayed during this period if the Governor has issued an executive order prohibiting certain removals from residential property pursuant to subsection a. of this section, unless the court determines on its own motion or motion of the parties that enforcement is necessary in the interest of justice.

c. Sheriffs, court officers, and their agents shall refrain from acting to remove individuals from residential properties through the eviction or foreclosure processes during the time of an executive order issued by the Governor prohibiting certain removals from residential property pursuant to subsection a. of this section, unless the court determines on its own motion or motion of the parties that removal is necessary in the interest of justice.

d. As used in this section, "residential property" means any property rented or owned for residential purposes, including, but not limited to, any house, building, mobile home or land in a mobile home park, or tenement leased for residential purposes, but shall not include any hotel, motel, or other guest house, or part thereof, rented to a transient guest or seasonal tenant, or a residential health care facility.

7. The following sums are appropriated from the funds provided to the State by the United States government for the purpose of providing relief to tenants affected in any way due to the COVID-19 pandemic: for the "Eviction Prevention Program" the sum of \$750,000,000; for the Office of Eviction Prevention the sum of \$5,000,000. Of the monies appropriated, the department shall use \$500,000,000 as assistance for very-low, low-, moderate-, and middle-

income tenants. The remainder may be used as utility assistance. The department may use up to 2.5 percent of the sums appropriated pursuant to this section for the purpose of funding those actions needed to effectively implement and administer the Eviction Prevention Program, \$2,000,000 million of which shall be provided to nonprofit organizations for supporting the education and outreach for this program. Households otherwise ineligible for assistance using federal funds shall be assisted with State funds.

8. Section 14 of P.L.1991 c.177 (C.22A:2-37.1) is amended to read as follows:

C.22A:2-37.1 Special Civil Part of Superior Court, Law Division fees.

14. a. In all civil actions and proceedings in the Special Civil Part of the Superior Court, Law Division, only the following fees shall be charged by the clerk and no service shall be performed until the specified fee has been paid:

- |   |         |
|---|---------|
| (1) Filing of small claim, one defendant  | \$15.00 |
| Each additional defendant   | \$ 2.00 |
| (2) Filing of complaint in tenancy,<br>one defendant  | \$25.00 |
| Each additional defendant   | \$ 2.00 |
| (3) (a) Filing of complaint or other initial<br>pleading containing a counterclaim, cross-claim<br>or third party complaint in all other civil actions,<br>whether commenced without process or by summons,<br>capias, replevin or attachment where the amount<br>exceeds the small claims monetary limit     | \$50.00 |
| Each additional defendant   | \$ 2.00 |
| (b) Filing of complaint or other initial<br>pleading containing a counterclaim, cross-claim<br>or third party complaint in all other civil actions,<br>whether commenced without process or by summons,<br>capias, replevin or attachment where the amount<br>does not exceed the small claims monetary limit | \$32.00 |
| Each additional defendant   | \$ 2.00 |
| (4) Filing of appearance or answer<br>to a complaint or third party complaint in all<br>matters except small claims   | \$15.00 |

(5) Service of Process: Fees for service of process, including: summons by mail, each defendant; summons by mail each defendant at place of business or employment with postal instructions to deliver to addressee only; reservice of summons by mail, each defendant; postage for substituted service of process by the clerk upon the Chief Administrator of the New Jersey Motor Vehicle Commission in addition to the substituted service fee provided below; and wage execution by mail to a federal agency, shall be set by the Administrative Director of the Courts. The fee for service of process shall not exceed the postal rates for ordinary and certified mail, return receipt requested, and may include an administrative fee that shall not exceed \$0.25 for each defendant served with process by mail. The total service of process fee shall be rounded upward to the nearest dollar. For the purposes of this paragraph, service of process means the simultaneous mailing by ordinary and certified mail, return receipt requested, to the defendant at the address provided by the plaintiff.

Reservice of summons or other original process by court officer, one defendant plus mileage	\$ 3.00
Each additional defendant plus mileage	\$ 2.00
Substituted service of process by the clerk upon the Chief Administrator of the New Jersey Motor Vehicle Commission	\$10.00
(6) For serving or executing any process, writ, order, execution, notice, or warrant	\$ 7.00
(7) Jury of six persons	\$50.00
(8) Warrant for possession in tenancy	\$15.00
(9) Warrant to arrest, commitment or writ of capias ad respondendum, each defendant	\$15.00
(10)Writ of execution or an order in the nature of execution, writs of replevin and attachment issued subsequent to summons	\$ 5.00
(11)For advertising property under execution or any order	\$10.00
(12)For selling property under execution or any order	\$10.00
(13)Exemplified copy of judgment (two pages)	\$ 5.00
each additional page	\$ 1.00
b. (Deleted by amendment, P.L.2002, c.34).	
c. (Deleted by amendment, P.L.2002, c.34).	
d. (Deleted by amendment, P.L.2009, c.32).	

9. Section 15 of P.L.1991, c.177 (C.22A:2-37.2) is amended to read as follows:

C.22A:2-37.2 Fees to officers designated by Assignment Judge to serve process.

15. a. From the fees set forth in section 14 of P.L.1991, c.177 (C.22A:2-37.1), the clerk of the Special Civil Part of the Superior Court, Law Division, shall pay to officers designated by the Assignment Judge to serve process the following fees:

(1) Serving summons, notice or third party complaint on one defendant	\$ 3.00
on every additional defendant	\$ 2.00
(2) Reserving summons or other original process on any defendant	\$ 3.00
(3) Warrant to arrest, capias, or commitment, for each defendant served	\$15.00
(4) Serving writ and summons in replevin, taking bond and any inventory, against one defendant	\$ 6.00
on every additional defendant	\$ 2.00
(5) Serving writ in replevin when issued subsequent to service of summons, against one defendant	\$ 5.00

on every additional defendant	\$ 2.00
(6) Serving order for possession in replevin	\$ 4.00
(7) Serving writ of attachment and making inventory, one defendant on every additional defendant	\$ 4.00 \$ 2.00
(8) Serving and executing warrant for possession in tenancy	\$10.00
(9) Every execution, or any order in the nature of an execution, on a judgment, for each defendant	\$ 2.00

b. For serving or executing any process, writ, order, execution, notice or warrant \$ 7.00

c. In addition to the foregoing, the following fees for officers of the Special Civil Part shall be taxed in the costs and collected on execution, writ of attachment or order in the nature of any execution on any final judgment, or on a valid and subsisting levy of an execution or attachment which may be the effective cause in producing payment or settlement of a judgment or attachment:

(1) For advertising property under execution or any order	\$10.00
(2) For selling property under execution or any order	\$10.00
(3) On every dollar collected on execution, writ of attachment, or any order,	\$ 0.10.

(4) In the event a judgment is vacated for any reason after a court officer has made a levy and thereafter the judgment is reinstated or the case is settled, the dollarage due the court officer on payment of the judgment amount or settlement amount again shall be taxed in the costs and collected.

d. In addition to the foregoing, the clerk of the Special Civil Part shall pay to officers designated by the Assignment Judge to serve wage executions on a federal agency an amount equal to the fee set by either the Administrative Director of the Courts pursuant to paragraph (5) of subsection a. of section 14 of P.L.1991, c.177 (C.22A:2-37.1) or set pursuant to subsection d. of that section, whichever then may be applicable, for each wage execution served.

10. This act shall take effect immediately.

Approved August 4, 2021.

# SENATE, No. 3691

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED APRIL 26, 2021

**Sponsored by:**

**Senator BRIAN P. STACK**

**District 33 (Hudson)**

**Senator RONALD L. RICE**

**District 28 (Essex)**

**Senator M. TERESA RUIZ**

**District 29 (Essex)**

**Co-Sponsored by:**

**Senators Diegnan, Gopal, Lagana, Pou, Cryan and Turner**

**SYNOPSIS**

Provides financial relief to certain landlords and tenants in response to COVID-19 pandemic; and making appropriations.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/21/2021)**

S3691 STACK, RICE

2

1 AN ACT providing financial relief to certain landlords and tenants in  
2 response to the COVID-19 pandemic, supplementing Title 52 of  
3 the Revised Statutes, and amending P.L.2020, c.1.

4

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

7

8 1. (New section) The Legislature finds and declares that:

9 a. The mortal threat posed by the COVID-19 pandemic  
10 compelled the Governor and Legislature to take drastic but  
11 necessary action. Executive Order No. 103 of 2020 effectively shut  
12 down the New Jersey economy on March 9, 2020, in order to hinder  
13 the rapid spread of the virus and to limit as much as possible the  
14 number of infections, severe illnesses, and deaths. During the same  
15 time period, the Governor and Legislature enacted P.L.2020, c.1  
16 (C.2A:18-59.3) and the Governor issued Executive Order No. 106  
17 of 2020, and implemented a moratorium on evictions, so as to  
18 ensure that during the covered period, households would be able to  
19 shelter in place and eliminate the threat posed by displacement,  
20 overcrowding, and the resultant spread of the virus.

21 b. The foregoing measures caused severe economic difficulties  
22 for landlords and tenants alike. Tenants, who in general have lower-  
23 incomes and far less wealth than homeowners, have been  
24 disproportionately affected: a large number of them immediately  
25 became and remain unemployed or underemployed. This is  
26 especially so for lower-income people of color, who are  
27 predominantly tenants and who continue to be victimized by  
28 systemic and structural racism, which has left them severely  
29 disadvantaged and extremely vulnerable to health emergencies and  
30 economic downturns.

31 c. Millions of jobs in our State and elsewhere have been  
32 permanently lost, and a significant number of jobs abruptly  
33 interrupted by the virus-driven shutdown have yet to return.

34 d. As a result, thousands of tenants in our State are unable to  
35 pay all or even part of the rental arrearages caused by the pandemic  
36 when the moratorium ends, and these tenants will also find it  
37 extremely difficult to make their future, ongoing regular monthly  
38 rental payments once they resume.

39 e. An overwhelming number of struggling tenant households,  
40 that are disproportionately Black and brown, will therefore be at  
41 risk of eviction for non-payment of all or part of their rent due and  
42 owing shortly after the moratorium is lifted. Combining the number  
43 of struggling tenants with the number of people at risk of  
44 displacement if the arrearage and future rent payment issues are not  
45 addressed, evictions and the resulting overcrowding, could create

**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 conditions that will lead to a resurgence and new spread of COVID-  
2 19.

3 f. At the same time, landlords have shouldered the financial  
4 burden of housing over a million tenants, as well as the costs of  
5 maintaining the buildings, paying their mortgages, taxes, and other  
6 financial obligations with little to no help from the State or federal  
7 government.

8 g. While housing is a necessity, it is unfair to require private  
9 sector landlords to provide such housing without compensation or  
10 assistance, while at the same time, requiring them to continue to  
11 maintain those properties and pay their financial obligations,  
12 including State and local taxes.

13 h. In Executive Order No. 106 of 2020, the Governor expressly  
14 stated that protection and preservation of personal and public health  
15 was the primary reason driving the imposition of the economic  
16 shutdown and eviction moratorium, a health-centered concern  
17 echoed and reinforced by the national eviction moratorium  
18 subsequently mandated by the federal Centers for Disease Control  
19 and Prevention. With the surge in vaccinations and a corresponding  
20 drop in COVID-19 pandemic-related hospitalizations, the public  
21 health justification to maintain the eviction moratorium will also  
22 end, and the Legislature deems it necessary to help struggling  
23 tenants avoid displacement and to compensate landlords for  
24 providing this necessary shelter to many tenants without  
25 compensation during the pandemic.

26 i. In providing these protections, the State must ensure that  
27 rent arrearages accrued during the covered period are not used as a  
28 mechanism for eviction. Rather, such debt shall be treated as civil  
29 debt, subject to recovery by the landlord in a civil suit for a money  
30 judgment, which will balance the obligations of the tenant under a  
31 lease contract with the need to provide housing stability. In  
32 addition, the monetary jurisdiction of the courts that normally deal  
33 with civil debt must be increased.

34 j. It is also incumbent upon the State to make the distinction  
35 between those tenants who were legitimately impacted by the  
36 pandemic and those who were and are either exploiting the eviction  
37 moratorium or have the means to pay their rent but refuse to do so.

38 k. It is, therefore, necessary for the Legislature to assist  
39 landlords who have suffered deep economic losses through no fault  
40 of their tenants or themselves, and, simultaneously, make efforts to  
41 assist tenants who need help as a result of this crisis, in order to  
42 ensure some measure of security and stability for their families and  
43 communities; provide landlords with the restored rental income  
44 stream required to safely and efficiently operate their buildings; and  
45 prevent a resurgence of the COVID-19 pandemic that will threaten  
46 the health and safety of tenants, landlords, and the public at large.

**S3691 STACK, RICE**

1       2. (New section) As used in P.L.     , c.     (C.     ) (pending  
2 before the Legislature as this bill):

3       “Assistance” means cash payments for unpaid rent provided to  
4 the landlord by any federal, State, county, or local rental assistance  
5 program.

6       “Commissioner” means the Commissioner of Community  
7 Affairs.

8       “Covered period” means the period beginning on March 1, 2020,  
9 and ending on July 31, 2021.

10       “COVID-19 pandemic” means the outbreak of COVID-19  
11 throughout the world, recognized as a pandemic by the World  
12 Health Organization on March 11, 2020.

13       “Credit reporting agency” means any consumer reporting agency  
14 as that term is defined by the federal “Fair Credit Reporting Act,”  
15 15 U.S.C. s.1681 et seq., which shall include any agencies which  
16 specialize in tenant screening or rental history reporting.

17       “Deep subsidy” means a rental housing subsidy which limits the  
18 tenant’s share of the monthly rent to a percentage of the tenant’s  
19 income, and which can be adjusted to maintain that percentage  
20 should the tenant’s income change.

21       “Department” means the Department of Community Affairs.

22       “Household income” means the combined income of all  
23 household members annualized at the time of filing of an  
24 application for assistance or protection.

25       “Low-income household” means a household with a total current  
26 annual household income equal to 50 percent or less of the area  
27 median income for a household of the same size and composition.

28       “Middle-income household” means a household with a total  
29 current gross annual household income of 80 percent or more than,  
30 but less than 120 percent of, the area median income for a  
31 household of the same size and composition.

32       “Moderate-income household” means a household with a total  
33 current gross annual household income in excess of 50 percent but  
34 less than 80 percent of the area median income for a household of  
35 the same size and composition.

36       “Shallow subsidy” means a rental housing subsidy provided in an  
37 amount based on the percentage of the fair market rent of the unit,  
38 depending on the household size and location, which shall be  
39 capped at a fixed amount.

40       “Very low-income household” means a household with a total  
41 current annual household income less than or equal to 30 percent of  
42 the area median income for a household of the same size and  
43 composition.

44

45       3. (New section) a. Notwithstanding any other law to the  
46 contrary, no residential tenant of a low-income household,  
47 moderate-income household, or middle-income household shall be  
48 evicted based upon nonpayment or habitual late payment of rent

1 that accrued during the covered period. Payments made by a tenant  
2 after the covered period ends shall be credited first to the current  
3 month's rental obligation, and any balance shall be credited to any  
4 arrearage owed by the tenant.

5 b. Any amount of rent due and owing by a residential tenant  
6 described in subsection a. of this section to a landlord during the  
7 covered period shall be considered civil debt and may be pursued as  
8 a money judgment in the appropriate division of the Superior Court.  
9 Such civil debt based on rental arrears shall be considered evidence  
10 of housing instability or risk of homelessness for the purpose of  
11 qualifying a household for rental assistance under any federal,  
12 State, county, or local program.

13 c. Any amount of rent due and owing either prior to the start of  
14 the covered period or after the covered period ends may be pursued  
15 in the manner allowed by law for any other landlord-tenant action  
16 for rent due outside of the covered period.

17 (1) Notwithstanding the provisions of this section to the  
18 contrary, low-income household tenants shall have continued  
19 protections from evictions for residential rent arrearages incurred  
20 from the end of the covered period through August 31, 2021 if the  
21 household pays 50 percent of their rent due for the month of August  
22 2021, and the remaining 50 percent of rent due for that month shall  
23 be considered civil debt.

24 (2) Notwithstanding the provisions of this section to the  
25 contrary, moderate-income household tenants shall have continued  
26 protections from evictions for residential rent arrearages incurred  
27 from the end of the covered period through August 31, 2021 if the  
28 household pays 75 percent of their rent due for the month of August  
29 2021, and the remaining 25 percent of rent due for that month shall  
30 be considered civil debt.

31 d. All pending landlord-tenant actions alleging nonpayment or  
32 habitual late payment of residential rent that accrued during the  
33 covered period shall be stayed and shall be dismissed upon  
34 certification by the tenant, under penalty of perjury, that the tenant  
35 is a low-income household, moderate-income household, or middle-  
36 income household and that the reason for filing was nonpayment or  
37 habitual late payment of rent during the covered period.

38 e. For any case that is stayed pursuant to P.L. , c. (C. )  
39 (pending before the Legislature as this bill), the Superior Court  
40 shall return or credit to the landlord all fees paid by the landlord to  
41 file such cases.

42 f. After the expiration of the covered period, a landlord shall be  
43 entitled to pursue a money judgment against a residential tenant for  
44 any and all lawfully due and owing unpaid rent that was converted  
45 into civil debt pursuant to P.L. , c. (C. ) (pending before the  
46 Legislature as this bill), for which compensation is not otherwise  
47 provided by any public or private source, by filing an action in the  
48 appropriate division of the Superior Court. Nothing in P.L. ,

1 c. (C. ) (pending before the Legislature as this bill) shall  
2 impact any action for a money judgment or vacate any money  
3 judgment entered during the covered period, unless the debt is  
4 satisfied.

5 g. The Administrative Director of the Courts shall modify the  
6 jurisdictional limits of the Small Claims Section of the Special Civil  
7 Part to \$9,000 for actions to recover unpaid residential rent that  
8 accrued during the covered period.

9 h. The Administrative Director of the Courts shall modify the  
10 jurisdictional limits of the regular Special Civil Part to \$45,000 for  
11 actions to recover unpaid residential rent that accrued during the  
12 covered period.

13 i. A tenant in such an action shall retain the right to assert any  
14 and all counterclaims, setoffs, legal defenses, affirmative defenses,  
15 and equitable defenses that would otherwise be available to them.

16 j. A landlord shall not impose any late fees for residential rent  
17 payments not made during the covered period.

18 k. (1) Consistent with the provisions of 15 U.S.C. s.1681s-  
19 2(a)(1)(F), a landlord shall not at any time furnish information  
20 about the nonpayment or late payment of residential rent which  
21 accrued during the covered period, or summary dispossession or other  
22 court filings or proceedings related to non-payment or late payment  
23 of residential rent which accrued during the covered period, directly  
24 to another residential landlord, or to a debt collection or credit  
25 reporting agency. This paragraph shall not:

26 (a) apply to a tenant's rent payments that remain due as the  
27 result of a payment missed prior to the March 1, 2020, including  
28 payments held in escrow before that date; or

29 (b) limit the ability of a landlord to share information with the  
30 landlord's attorney or property management company, or to notice  
31 the tenant in compliance with the Anti-Eviction Act, P.L.1974, c.49  
32 (C.2A:18-61.1 et seq.).

33 (2) As a result of any record or information reflecting a tenant's  
34 non-payment or late payment of residential rent, or a related court  
35 filing, during the covered period, a landlord shall not:

36 (a) refuse to rent to a prospective tenant of residential rental  
37 housing; or

38 (b) place, or disseminate a residential tenant's information for  
39 the purpose of placing, a tenant on a list for the use of other  
40 landlords for any purpose.

41 (3) In addition to a tenant's right to pursue an action seeking  
42 injunctive or declaratory relief for a violation of this subsection, the  
43 Attorney General, in response to a complaint from a tenant, or on  
44 the Attorney General's independent initiative, may bring an action  
45 alleging a landlord has violated the provisions of this subsection.  
46 Regarding a first violation, the court shall provide the landlord with  
47 an opportunity to correct the violation prior to imposing a penalty.  
48 Following the provision of this opportunity to correct any first

1 violation, upon a finding that non-compliance with this subsection  
2 has occurred, a court of competent jurisdiction may:

3 (a) order the non-compliant landlord to retract the report of debt  
4 or court filing data provided to the collection or credit reporting  
5 agency, bureau, or data collection facility;

6 (b) impose a fine on the non-compliant landlord, not to exceed  
7 \$500 for a first violation, \$1,000 for a second violation, and \$2,500  
8 for each subsequent violation;

9 (c) order the non-compliant landlord to pay a reasonable counsel  
10 fee in connection with a tenant whose debt has been reported to a  
11 debt collection or credit reporting agency, bureau, or data collection  
12 facility;

13 (d) provide a copy of the order immediately upon the request of  
14 the tenant and at no cost to the tenant;

15 (e) order the non-compliant landlord to take such steps as are  
16 necessary, within 30 days of the order, to rehabilitate the credit  
17 record of the tenant, with an exact copy provided to the tenant at no  
18 cost, of the efforts made in that regard; and

19 (f) if the tenant is able to show actual damages that have  
20 resulted from a violation of this section, order the non-compliant  
21 landlord to pay an award of damages to the tenant not to exceed 25  
22 percent of the debt attempted to be collected or reported by the non-  
23 complaint landlord to the collection or credit reporting agency,  
24 bureau, or data collection facility, with a minimum award of \$350.

25 (4) If a landlord furnishes rental payment data to another  
26 landlord, collection or credit reporting agency related to the non-  
27 payment of rent during the covered period, but before the enactment  
28 of P.L. , c. (C. ) (pending before the Legislature as this  
29 bill), the landlord shall not be subject to the penalty provisions of  
30 this section, except for an order to retract the report pursuant to  
31 paragraph (3) of this subsection.

32

33 4. (New section) a. The commissioner shall rename the  
34 current "Homelessness Prevention Program" established pursuant to  
35 the provisions of P.L.1984, c.180 (C.52:27D-280 et al.), as the  
36 "Eviction and Homelessness Prevention Program."

37 b. The commissioner shall revise and amend the "Homeless  
38 Prevention Program Regulations" established pursuant to chapter 41  
39 of Title 5 of the New Jersey Administrative Code to meet or provide  
40 for the following:

41 (1) the regulations shall be renamed the "Eviction and  
42 Homelessness Prevention Program Regulations";

43 (2) a household shall be eligible to participate in the program if,  
44 due to reasons beyond the household's control, the household is  
45 unable to make residential rental payments which are due and  
46 owing pursuant to a valid and enforceable oral or written lease,  
47 stipulation of settlement, judgment, order or other type of legally  
48 binding agreement;

1 (3) a household shall be eligible for assistance under this  
2 program regardless of whether the household has been served with a  
3 summons and complaint for eviction, and an oral or written  
4 communication from the landlord indicating that an eviction filing  
5 is imminent or contemplated shall be sufficient to trigger eligibility  
6 for the program;

7 (4) a household shall be eligible for assistance if their  
8 annualized current income is no more than 120 percent of the area  
9 median income; however, the commissioner may establish funding  
10 priorities to benefit very low-income and low-income households;

11 (5) a household shall be eligible for assistance under this  
12 program although it may be unlikely for the household to have the  
13 ability to pay shelter costs after the period of assistance has ended;

14 (6) eligible households shall be awarded grants for periods of up  
15 to two years, depending upon the person's or household's particular  
16 circumstances. The department shall provide assistance along a  
17 continuum based upon the income level of the tenant household,  
18 and shall include deep subsidies, shallow subsidies, and flat  
19 amounts. Such grants may be renewed to prevent eviction or  
20 homelessness. The commissioner shall prepare detailed guidance  
21 covering the amount and duration of such grants, in accordance  
22 with the following guidelines and principles:

23 (a) for a very low-income household, a deep subsidy shall be  
24 provided in the amount necessary to limit the household's share of  
25 ongoing rent to not more than 40 percent of the household's  
26 income;

27 (b) for a low-income household that is not also very low-  
28 income, a shallow subsidy shall be provided in the amount  
29 necessary to limit the household's share of ongoing rent to not more  
30 than 40 percent of the household's income, provided, however, that  
31 the amount of any such subsidy shall not exceed \$800 per month;  
32 and

33 (c) for a moderate-income or middle-income household,  
34 assistance in the form of a flat monthly grant of \$250 shall be  
35 provided to the household if the household pays more than 50  
36 percent of the household's income as ongoing rent.

37 (7) during the course of the payment period, if the department is  
38 notified by either the landlord or the program participant that a  
39 person or household has begun to experience difficulty paying rent  
40 as a result of reasons beyond the household's control, the  
41 household's income and family situation shall be reevaluated in  
42 light of the changed conditions, and the person or household shall  
43 be placed in a different assistance tier, if necessary, to prevent  
44 eviction; and

45 (8) during the course of the payment period, a participant  
46 household shall certify the household's current income once every  
47 three months, using a one-page form to be developed by the  
48 department, including any necessary attachments. Beginning the

1 month following receipt of a certification, the department shall  
2 increase or decrease the amount of subsidy provided to the  
3 household in accordance with the subsidy category applicable to the  
4 most recent reported income, provided that limited non-recurring  
5 short term increases in income shall not require a subsidy  
6 adjustment.

7 c. Notwithstanding any other law or regulation to the contrary,  
8 any revisions to the program regulations or operating procedures  
9 required by this section shall take effect immediately.

10 d. At least 30 days prior to the expiration of the covered period,  
11 the department shall implement a comprehensive public information  
12 plan to create awareness among eligible tenants of the assistance  
13 provided by the program. This plan shall include but not be limited  
14 to public service announcements, information about the program in  
15 governmental notices and utility providers billings, notices to  
16 landlords as to how to assist their tenants in applying for the  
17 program, outreach to underserved populations, postings on social  
18 media, and any other means likely to ensure that tenants will be  
19 aware of the programs existence. In addition, the department shall  
20 prepare a form notice describing the program and distribute the  
21 notice to all landlords for inclusion with any notice or complaint  
22 sent to a tenant related to an eviction for nonpayment of rent. Prior  
23 to the end of covered period, the landlord shall post a written notice  
24 in a conspicuous location within the common area of a multiple  
25 dwelling highlighting the potential availability of rental assistance  
26 from the Eviction and Homelessness Prevention Program and other  
27 governmental assistance programs included in the department's  
28 form notice.

29 e. (1) A program application shall state the total amount of rent  
30 due from the landlord's residential tenants established in the  
31 corresponding leases, the amount paid by the tenants or third  
32 parties, if any, the amount unpaid, the amount of security deposit  
33 funding that the landlord's tenants have applied against rent  
34 pursuant to Executive Order No. 128 of 2020, and any other  
35 information required by the department for determining financial  
36 need.

37 (2) An application shall include a certification by the tenant as  
38 to:

39 (a) the number of occupants of the unit;

40 (b) the tenant household's income; and

41 (c) if a specific funding source is involved, a certification  
42 providing the minimum amount of information needed to comply  
43 with the requirements of that funding source.

44 The commissioner shall make the application forms and related  
45 verification requirements as simple as possible, shall require the  
46 minimum documentation permissible by said funding sources, and  
47 shall rely on self-certification and verification to the greatest extent

1 possible. Any certifications made by a tenant under this program  
2 shall remain confidential to the maximum extent possible.

3 (3) A residential tenant household applying for assistance shall  
4 be deemed presumptively eligible if it meets the income  
5 requirements and is in need of the immediate provision of  
6 assistance to avoid an eviction filing, judgment for possession, or  
7 actual displacement. Such assistance as is needed shall be  
8 provided, and shall be extended in monthly increments as necessary  
9 in order for the application process, including any administrative  
10 appeals, to be completed and a final determination made with  
11 regard to eligibility. A court of this State may take into  
12 consideration any pending application for rental assistance with  
13 regard to the timing of the entry of a judgment for possession.

14 f. The program established by this section shall work closely  
15 with the Office of Eviction Prevention established by section 5 of  
16 P.L. , c. (C. ) (pending before the Legislature as this bill) in  
17 order to (1) ensure that tenants receive the maximum assistance for  
18 which they are qualified to avoid displacement and retain or obtain  
19 decent, affordable, safe and suitable housing; and (2) ensure that all  
20 available sources of potential assistance are explored and utilized in  
21 order to effectively and efficiently extend the reach and efficacy of  
22 the funding provided to this program by the State.

23

24 5. (New section) a. Within 30 days of the enactment of P.L. ,  
25 c. (C. ) (pending before the Legislature as this bill), the  
26 department shall establish an "Office of Eviction Prevention,"  
27 which shall be responsible for:

28 (1) identifying all federal, State, local and other sources of  
29 financial assistance which are intended or could be used to prevent  
30 the eviction of residential tenants, including but not limited to  
31 programs which provide both deep and shallow rental subsidies;

32 (2) becoming knowledgeable with regard to the application  
33 process for each such program; and

34 (3) identifying, and proposing remedies for, the gaps in the  
35 overall assistance system, especially in relation to eligibility  
36 requirements and the need for addition to, or revision of, subsidy  
37 programs so as to provide appropriate assistance of various sorts  
38 and in various amounts to households at different income levels.

39 b. This office shall be responsible for the compilation,  
40 publication, and ongoing update of this information, and shall also  
41 be responsible for identifying and training at least one non-profit,  
42 community-based organization in each county with regard to the  
43 availability of and means of accessing such financial assistance by  
44 at-risk tenants.

45

46 6. Section 1 of P.L.2020, c.1 (C.2A:18-59.3) is amended to  
47 read as follows:

1       1. a. Notwithstanding any other law to the contrary, whenever  
2 a Public Health Emergency, pursuant to the "Emergency Health  
3 Powers Act," P.L.2005, c.222 (C.26:13-1 et seq.) **],** or a State of  
4 Emergency, pursuant to P.L.1942, c.251 (C.App.A.9-33 et seq.), or  
5 both,**]** has been declared by the Governor in response to the  
6 COVID-19 pandemic and is in effect, the Governor may issue an  
7 executive order to declare that a lessee, tenant, homeowner or any  
8 other person shall not be removed from a residential property as the  
9 result of an eviction action based on the nonpayment or habitual  
10 late payment of rent or foreclosure proceeding. This executive  
11 order shall remain in effect **]**for no longer than two months  
12 following the end of the Public Health Emergency or State of  
13 Emergency**]** until July 31, 2021, except that the executive order  
14 may be extended if there is substantial evidence that  
15 hospitalizations and deaths due to the COVID-19 pandemic are  
16 likely to recur or substantially worsen if an extension is not ordered.  
17 The Governor shall adjust the executive order issued pursuant to  
18 P.L.2020, c.1 (C.2A:18-59.3) through the issuance of a subsequent  
19 executive order, in order to comply with P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_)  
20 (pending before the Legislature as this bill).

21       b. Eviction and foreclosure proceedings may be initiated or  
22 continued during the time of an executive order issued pursuant to  
23 this section, but enforcement of all judgments for possession,  
24 warrants of removal, and writs of possession shall be stayed during  
25 this period if the Governor has issued an executive order prohibiting  
26 certain removals from residential property pursuant to subsection a.  
27 of this section, unless the court determines on its own motion or  
28 motion of the parties that enforcement is necessary in the interest of  
29 justice.

30       c. Sheriffs, court officers, and their agents shall refrain from  
31 acting to remove individuals from residential properties through the  
32 eviction or foreclosure processes during the time of an executive  
33 order issued by the Governor prohibiting certain removals from  
34 residential property pursuant to subsection a. of this section, unless  
35 the court determines on its own motion or motion of the parties that  
36 removal is necessary in the interest of justice.

37       d. As used in this section, "residential property" means any  
38 property rented or owned for residential purposes, including, but  
39 not limited to, any house, building, mobile home or land in a mobile  
40 home park, or tenement leased for residential purposes, but shall not  
41 include any hotel, motel, or other guest house, or part thereof,  
42 rented to a transient guest or seasonal tenant, or a residential health  
43 care facility.

44 (cf: P.L.2020, c.1, s.1)

45

46       7. (New section) The following sums are appropriated from the  
47 funds provided to the State by the United States government for the  
48 purpose of providing relief to tenants affected in any way due to the

**S3691 STACK, RICE**

12

1 COVID-19 pandemic: for the “Eviction and Homelessness  
2 Prevention Program” the sum of \$750,000,000; for the Office of  
3 Eviction Prevention the sum of \$5,000,000. The department may  
4 use up to \$20,000,000 of the sums appropriated pursuant to this  
5 section for the purpose of funding those actions needed to  
6 effectively implement and administer the Eviction and  
7 Homelessness Prevention Program, \$2,000,000 million of which  
8 shall be provided to nonprofit organizations for supporting the  
9 education and outreach for this program. Additional federal  
10 funding for emergency rental assistance related to the COVID-19  
11 pandemic shall be appropriated to the foregoing programs as it  
12 becomes available. Households otherwise ineligible for assistance  
13 using federal funds shall be assisted with State funds.

14

15 8. This act shall take effect immediately.

16

17

18

**STATEMENT**

19

20 This bill would provide financial relief to certain residential  
21 landlords and tenants in response to the COVID-19 pandemic.

22 Specifically, the bill would protect low-income, moderate-  
23 income, and middle-income households from residential evictions  
24 based upon nonpayment or habitual late payment of rent that  
25 accrued during the covered period, which began on March 1, 2020,  
26 and would last until the end of July, 2021. The bill establishes  
27 definitions for very low-income, low-income, moderate-income,  
28 and middle-income households as those with incomes of 30 percent  
29 or less than, 50 percent or less than, between 50 and 80 percent of,  
30 and 80 percent to 120 percent of the area median income,  
31 respectively. The bill would require that payments made by a  
32 tenant after the covered period ends would be credited first to the  
33 current month’s rental obligation, and any balance would be  
34 credited to any arrearage owed by the tenant. The bill provides that  
35 amount of rent due to a landlord during the covered period would be  
36 considered civil debt and could be pursued as a money judgment.

37 The bill provides that any amount of unpaid rent due either prior  
38 to the start of the covered period or after the covered period ends  
39 may be pursued in the manner allowed by law for any other  
40 landlord-tenant action for rent due outside of the covered period.  
41 However, the bill would provide low-income household tenants  
42 with continued protections from evictions for the month of August  
43 2021 if they pay 50 percent of their rent for the month of August  
44 2021. The remaining 50 percent of the low-income tenant’s rent  
45 due for that month would be considered civil debt. Additionally,  
46 the bill would provide moderate-income household tenants with  
47 continued protections from evictions for the month of August 2021  
48 if they pay 75 percent of their rent for the month of August 2021.

1 The remaining 25 percent of rent due for that month would be  
2 considered civil debt. The bill would also prohibit a landlord from  
3 imposing any late fees for rent payments not made during the  
4 covered period.

5 The bill would require that all pending landlord-tenant actions  
6 alleging nonpayment or habitual late payment of rent that accrued  
7 during the covered period shall be stayed and shall be dismissed  
8 upon certification that the tenant is low-income, moderate-income,  
9 or middle-income and that the reason for filing was nonpayment or  
10 habitual late payment of rent during the covered period. The bill  
11 would require the Superior Court to return or credit to the landlord  
12 all fees paid by the landlord to file such cases.

13 The bill would direct the court to modify the jurisdictional limits  
14 of the Small Claims Section of the Special Civil Part to \$9,000, and  
15 modify the regular Special Civil Part to \$45,000, for actions to  
16 recover unpaid rent that accrued during the covered period related  
17 to a landlord-tenant action under the bill.

18 The bill would prohibit a landlord from furnishing information  
19 about the nonpayment or late payment of rent which accrued during  
20 the covered period, or other court filings or proceedings related to  
21 non-payment or late payment of rent which accrued during the  
22 covered period, directly to another residential landlord, or to a debt  
23 collection or credit reporting agency. This restriction would not  
24 apply to a tenant's rent payments that remain due as the result of a  
25 payment missed prior to March 1, 2020, limit the ability of a  
26 landlord to share information with the landlord's attorney or  
27 property management company, or notice the tenant in compliance  
28 with the Anti-Eviction Act.

29 If the action is conducted as a result of any record or information  
30 reflecting a tenant's non-payment or late payment of rent, or a  
31 related court filing, during the covered period, the bill would  
32 prohibit a landlord from refusing to rent to a prospective residential  
33 tenant, or placing, or disseminating a tenant's information for the  
34 purpose of placing, a tenant on a list for the use of other landlords  
35 for any purpose.

36 The bill would authorize the Attorney General, in response to a  
37 complaint from a tenant, or on the Attorney General's independent  
38 initiative, to bring an action alleging a landlord has violated the  
39 bill's restrictions on nonpayment information dissemination.  
40 Regarding a first violation, the court would provide the landlord  
41 with an opportunity to correct the violation prior to imposing a  
42 penalty. Following the provision of this opportunity to correct any  
43 first violation, upon a finding that non-compliance with this  
44 subsection has occurred, the bill would authorize a court of  
45 competent jurisdiction to:

- 46 • order the non-compliant landlord to retract the report of debt  
47 or court filing data;

**S3691 STACK, RICE**

14

- 1       • impose a fine on the non-compliant landlord, not to exceed
- 2       \$500 for a first violation, \$1,000 for a second violation, and
- 3       \$2,500 for each subsequent violation;
- 4       • order the non-compliant landlord to pay the tenant’s
- 5       reasonable counsel fee;
- 6       • provide a free copy of the order immediately upon the
- 7       request of the tenant;
- 8       • order the non-compliant landlord to take such steps as are
- 9       necessary, within 30 days of the order, to rehabilitate the
- 10      credit record of the tenant; and
- 11      • if the tenant is able to show actual damages that have
- 12      resulted from this violation, order the non-compliant
- 13      landlord to pay an award of damages to the tenant not to
- 14      exceed 25 percent of the debt attempted to be collected or
- 15      reported by the non-complaint landlord to the collection or
- 16      credit reporting agency, bureau, or data collection facility,
- 17      with a minimum award of \$350.

18      A landlord who has furnished rental payment data to another  
19      landlord, collection or credit reporting agency related to the non-  
20      payment of rent during the covered period, but before the enactment  
21      of the bill would not be subject to these penalty provisions, except  
22      for any order to retract the report.

23      The bill would direct the Commissioner of Community Affairs  
24      (“commissioner”) to rename the current “Homelessness Prevention  
25      Program” (“program”) as the “Eviction and Homelessness  
26      Prevention Program.” The commissioner would revise the program  
27      regulations to provide for the following: (1) the regulations would  
28      be renamed the “Eviction and Homelessness Prevention Program  
29      Regulations”, (2) a household would be eligible to participate in the  
30      program if, due to reasons beyond the household’s control, the  
31      household is unable to make residential rental payments which are  
32      due and owing pursuant to a valid and enforceable oral or written  
33      lease, stipulation of settlement, judgment, order or other type of  
34      legally binding agreement, (3) a household would be eligible for  
35      assistance under this program regardless of whether the household  
36      has been served with a summons and complaint for eviction, (4) a  
37      household would be eligible for assistance if their annualized  
38      current income is no more than 80 percent of the area median  
39      income; however, the commissioner may establish funding  
40      priorities to benefit very low-income and low-income households,  
41      (5) a household would be eligible for assistance under this program  
42      although it may be unlikely for the household to have the ability to  
43      pay shelter costs after the period of assistance has ended, and (6)  
44      eligible households would be awarded grants for periods of up to  
45      two years, depending upon the person’s or household’s particular  
46      circumstances. The Department of Community Affairs  
47      (“department”) would provide assistance along a continuum based  
48      upon the income level of the tenant household, and would include

1 deep subsidies, shallow subsidies, and flat amounts. The bill would  
2 authorize these grants be renewed to prevent eviction or  
3 homelessness. The commissioner would prepare guidance covering  
4 the amount and duration of the grants, in accordance with the  
5 following guidelines and principles: (a) for a very low-income  
6 household, a deep subsidy would be provided in the amount  
7 necessary to limit the household's share of ongoing rent to not more  
8 than 40 percent of the household's income, (b) for a low-income  
9 household, a shallow subsidy would be provided in the amount  
10 necessary to limit the household's share of ongoing rent to not more  
11 than 40 percent of the household's income, provided, however, that  
12 the amount of any such subsidy would not exceed \$800 per month,  
13 and (c) for a moderate-income household, assistance in the form of  
14 a flat monthly grant of \$250 would be provided to the household if  
15 the household pays more than 50 percent of the household's income  
16 as ongoing rent.

17 The revisions to the "Homeless Prevention Program Regulations"  
18 would also provide that, during the course of the payment period, if  
19 the department is notified by either the landlord or the program  
20 participant that a person or household has begun to experience  
21 difficulty paying rent as a result of reasons beyond the household's  
22 control, the household's income would be reevaluated in light of the  
23 changed conditions, and the person or household would be placed in  
24 a different assistance tier, if necessary, to prevent eviction. Finally,  
25 these regulatory revisions would also provide that, during the  
26 course of the payment period, a participant household would certify  
27 the household's current income and family situation once every  
28 three months, using a one-page form to be developed by the  
29 department, including any necessary attachments. Beginning the  
30 month following receipt of a certification, the department would  
31 increase or decrease the amount of subsidy provided to the  
32 household in accordance with the subsidy category applicable to the  
33 most recent reported income, provided that limited non-recurring  
34 short term increases in income would not require a subsidy  
35 adjustment.

36 At least 30 days prior to the expiration of the covered period, the  
37 department would be required to implement a comprehensive public  
38 information plan to ensure that eligible tenants are aware of the  
39 assistance provided by the program. In addition, the department  
40 would prepare a form notice describing the program and distribute  
41 the notice to all landlords for inclusion with any notice or complaint  
42 sent to a tenant related to an eviction for nonpayment of rent. Prior  
43 to the end of covered period, the landlord would be required to post  
44 a written notice in a conspicuous location within the common area  
45 of a multiple dwelling highlighting the potential availability of  
46 rental assistance from program and other governmental assistance  
47 programs included in the department's form notice.

1 A program application would be required to state the total  
2 amount of rent due from the landlord's residential tenants  
3 established in the corresponding leases, the amount paid by the  
4 tenants or third parties, if any, the amount unpaid, the amount of  
5 security deposit funding that the landlord's tenants have applied  
6 against rent, and any other information required by the department  
7 for determining financial need.

8 An application would include a certification by the tenant as to  
9 the number of occupants of the unit, the tenant household's income,  
10 a brief statement or by the tenant explaining how the pandemic  
11 affected the tenant's ability to pay rent, and any other information  
12 required by the funding sources from which the program payments  
13 will be made.

14 Assistance as is needed would be provided, and extended in  
15 monthly increments, as necessary in order for the application  
16 process, including any administrative appeals, to be completed and  
17 a final determination made with regard to eligibility.

18 Within 30 days following enactment, the bill would require the  
19 department to establish an "Office of Eviction Prevention," which  
20 would be responsible for: (1) the identification of all federal, State,  
21 local and other sources of financial assistance that could be used to  
22 prevent the eviction of residential tenants; (2) becoming  
23 knowledgeable with regard to the application process for each such  
24 program; and (3) identifying, and proposing remedies for, the gaps  
25 in the overall assistance system. This office would be responsible  
26 for the compilation, publication, and ongoing update of this  
27 information, and for identifying and training at least one non-profit,  
28 community-based organization in each county with regard to the  
29 availability of and means of accessing such financial assistance by  
30 at-risk tenants.

31 The bill would also adjust the provisions of P.L.2020, c.1, which  
32 enhanced the Governor's powers to prevent evictions during times  
33 of a public health emergency or state of emergency. The  
34 adjustments provided by the bill would make these enhanced  
35 powers applicable only to the public health emergency declared in  
36 response to the COVID-19 pandemic. The bill would require any  
37 executive order declared to restrict evictions pursuant to P.L.2020,  
38 c.1 to expire at the end of the covered period, unless there is  
39 substantial evidence that hospitalizations and deaths due to the  
40 COVID-19 pandemic which triggered the initial issuance of the  
41 order are likely to recur or substantially worsen if an extension is  
42 not ordered.

43 Finally, the bill would appropriate from the funds provided to the  
44 State by the United States government for the purpose of providing  
45 relief to tenants affected in any way by the COVID-19 pandemic:  
46 for the "Eviction and Homelessness Prevention Program" the sum  
47 of \$750,000,000; for the Office of Eviction Prevention the sum of  
48 \$5,000,000. The bill also authorizes the department to use up to

**S3691 STACK, RICE**

17

1 \$20,000,000 for the purpose of funding those actions needed to  
2 effectively implement and administer the Eviction and  
3 Homelessness Prevention Program, \$2,000,000 million of which  
4 would be provided to nonprofit organizations for education and  
5 outreach regarding this program. Additional federal funding for  
6 emergency rental assistance related to the COVID-19 pandemic  
7 would be appropriated to the foregoing programs as it becomes  
8 available.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 3691**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 22, 2021

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3691, with committee amendments.

As amended, this bill would provide financial relief to certain residential landlords and tenants in response to the COVID-19 pandemic, and alter certain court fees.

Specifically, the bill would protect very low-, low-, moderate-, and middle-income households from residential evictions based upon nonpayment or habitual late payment of rent, or a failure to pay a rent increase, that accrued during the covered period, which began on March 1, 2020, and would last until the end of August, 2021. However, for certain very-low, low-, and moderate-income tenants, eviction protections would last until the end of 2021. The bill establishes definitions for very low-income, low-income, moderate-income, and middle-income households as those with incomes of 30 percent or less than, 50 percent or less than, between 50 and 80 percent of, and 80 percent to 120 percent of the area median income, respectively. The bill would require that payments made by a tenant after the covered period ends would be credited first to the current month's rental obligation, and any balance would be credited to any arrearage owed by the tenant. The bill provides that amount of rent due to a landlord during the covered period would be considered civil debt and could be pursued as a money judgment.

The bill provides that any amount of unpaid rent due either prior to the start of the covered period or after the covered period ends may be pursued in the manner allowed by law for any other landlord-tenant action for rent due outside of the covered period. Eviction protections in the bill would continue to apply to very low-, low-, and moderate-income household tenants through the end of 2021 if the tenant household certifies, under penalty of perjury, (1) the amount of the household's income, (2) that the household was unable to pay rent due to circumstances arising from the pandemic, and (3) that the household has applied for certain rental assistance programs. These certifications would be made on a form provided by the Department of Community Affairs ("department"). When completed, the tenant would provide a copy to the landlord, and to the court if facing a pending eviction action.

The bill directs the Administrative Director of the Courts to provide information on tenant protections, rental assistance programs, and the necessary income and COVID-19 impact attestations to obtain assistance to any residential tenant who is party to a landlord tenant dispute for nonpayment of rent.

The bill would require that all pending eviction actions alleging nonpayment, habitual late payment, or failure to accept an increase of residential rent that accrued during the covered period shall be dismissed upon certification that the tenant is very low-, low-, moderate-, or middle-income and that the reason for filing was nonpayment or habitual late payment of rent, or failure to pay a rent increase, during the covered period.

As a condition of receiving certain rental assistance, the landlord would be prohibited from imposing late fees for residential rent payments during the period when the assistance is provided.

The bill would prohibit a landlord from furnishing information about the nonpayment or late payment of rent, or failure to pay a rent increase, which accrued during the covered period, or other court filings or proceedings related to non-payment or late payment of rent which accrued during the covered period, directly to another residential landlord, or to a debt collection or credit reporting agency. This restriction would not apply to a tenant's rent payments that remain due as the result of a payment missed prior to March 1, 2020, limit the ability of a landlord to share information with the landlord's attorney or property management company, or notice the tenant in compliance with the Anti-Eviction Act.

If the action is conducted as a result of any record or information reflecting a tenant's non-payment or late payment of rent, or a related court filing, during the covered period, the bill would prohibit a landlord from refusing to rent to a prospective residential tenant, or placing, or disseminating a tenant's information for the purpose of placing, a tenant on a list for the use of other landlords for any purpose.

The bill would authorize the Attorney General, in response to a complaint from a tenant, or on the Attorney General's independent initiative, to bring an action alleging a landlord has violated the bill's restrictions on nonpayment information dissemination. Regarding a first violation, the court would provide the landlord with an opportunity to correct the violation prior to imposing a penalty. Following the provision of this opportunity to correct any first violation, upon a finding that non-compliance with this subsection has occurred, the bill would authorize a court of competent jurisdiction to:

- order the non-compliant landlord to retract the report of debt or court filing data;
- impose a fine on the non-compliant landlord, not to exceed \$500 for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation;

- order the non-compliant landlord to pay the tenant's reasonable counsel fee;
- provide a free copy of the order immediately upon the request of the tenant;
- order the non-compliant landlord to take such steps as are necessary, within 30 days of the order, to rehabilitate the credit record of the tenant; and
- if the tenant is able to show actual damages that have resulted from this violation, order the non-compliant landlord to pay an award of damages to the tenant not to exceed 25 percent of the debt attempted to be collected or reported by the non-complaint landlord to the collection or credit reporting agency, bureau, or data collection facility, with a minimum award of \$350.

A landlord who has furnished rental payment data to another landlord, collection or credit reporting agency related to the non-payment of rent during the covered period, but before the enactment of the bill would not be subject to these penalty provisions, except for any order to retract the report.

The bill would direct the Commissioner of Community Affairs ("commissioner") to establish an "Eviction Prevention Program" to provide residential rental relief to residents who struggle to pay rent because of financial hardship directly or indirectly incurred as a result of the COVID-19 pandemic. The program would be open to accepting applications for assistance no later than the end of August, 2021. The commissioner would administer the program to provide for the following: (1) the program would be a supplement to the COVID-19 Emergency Rental Assistance Program Phase II (CVERAP II) program opened by the department on March 22, 2021, (2) a household would be eligible to participate in the program if, for reasons of pandemic-related hardship, the household is unable to make residential rental payments which are due and owing pursuant to a valid and enforceable oral or written lease, stipulation of settlement, judgment, order or other type of legally binding agreement, (3) a household would be eligible for assistance under this program regardless of whether the household has been served with a summons and complaint for eviction, (4) a household would be eligible for assistance if their annualized current income is no more than 80 percent of the area median income; however, the commissioner may establish funding priorities to benefit very low- and low-income households, (5) a household would be eligible for assistance under this program although it may be unlikely for the household to have the ability to pay shelter costs after the period of assistance has ended, (6) a household would be permitted to use assistance to pay current rent, accrued rent, and future rent, as determined by the department, and (7) the department would award grants for periods of up to two years or rent, depending upon the person's or household's particular circumstances and available funding. The department would provide

assistance along a continuum based upon the income level of the tenant household, and would include deep subsidies, shallow subsidies, and flat amounts. The bill would authorize these grants be renewed to prevent eviction or homelessness. The commissioner would award grants for ongoing rent in accordance with the following guidelines and principles: (a) for a very low-income household, a deep subsidy may be provided in the amount necessary to limit the household's share of ongoing rent to not more than 30 percent of the household's income, (b) for a low-income household, a shallow subsidy may be provided in the amount necessary to limit the household's share of ongoing rent to not more than 30 percent of the household's income, provided, however, that the amount of any such subsidy would not exceed \$800 per month, and (c) for a moderate-income household, assistance in the form of a subsidy sufficient to limit the household's share of ongoing rent to 30 percent or less of the household's income, provided the subsidy does not exceed \$500 per month.

Finally, to qualify for rental assistance through the program, households would be required to demonstrate that someone in the household: (a) qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship, as a direct or indirect consequence of the pandemic; (b) demonstrates a risk of experiencing homelessness or housing instability; (c) falls within a household income threshold that establishes eligibility for rental assistance under the program; (d) has a lack of assets and savings to pay rent arrears or current and future rent; (e) is a State resident; and (f) is obligated to pay rent on a residential dwelling.

During the course of the payment period, if the department is notified by either the landlord or the program participant that a person or household has begun to experience difficulty paying rent due to pandemic-related hardships, the household's income would be reevaluated in light of the changed conditions, and the person or household would be placed in a different assistance tier, if necessary, to prevent eviction. The program would require that, during the course of the payment period, a participant household would certify the household's current income and family situation once every six months using a brief form to be developed by the department, including any necessary attachments. Beginning the month following receipt of a certification, the department would increase or decrease the amount of subsidy provided to the household in accordance with the subsidy category applicable to the most recent reported income, provided that limited non-recurring short term increases in income would not require a subsidy adjustment. Finally, during the payment period, if a participating tenant experiences conditions that violate the implied warranty of habitability, the tenant would be authorized to certify those conditions to the department in writing. Based on this

certification, the department would have an inspection conducted on the dwelling. Upon confirmation, and after providing the landlord an opportunity to cure, the department would consider whether and in what amount rent may be withheld.

No later than August 31, 2021, the department would be required to implement a comprehensive public information plan to ensure that eligible tenants are aware of the assistance provided by the program, and would provide such information in languages including English and Spanish. In addition, the department would prepare a form notice, in languages including English and Spanish, describing the program and distribute the notice to landlords for inclusion with any notice or complaint sent to a tenant related to an eviction for nonpayment of rent. Prior to the end of covered period, the landlord would be required to post a written notice in a conspicuous location within the common area of a multiple dwelling.

A program application would be required to state the monthly rent as established in the lease, the amount paid by the tenant or third parties, if any, the amount unpaid, the amount of security deposit funding that the tenant has applied against rent, and any other information required by the department for determining financial need.

An application would include a certification by the tenant as to the number of occupants of the unit, the tenant household's income, a brief statement or by the tenant explaining how the pandemic affected the tenant's ability to pay rent, and any other information required by the funding sources from which the program payments will be made.

Within 60 days following enactment, the bill would require the department to establish an "Office of Eviction Prevention," which would be responsible for: (1) the identification of all federal, State, local and other sources of financial assistance that could be used to prevent the eviction of residential tenants; (2) becoming knowledgeable with regard to the application process for each such program; and (3) identifying, and proposing remedies for, the gaps in the overall assistance system. This office would be responsible for the compilation, publication, and ongoing update of this information, and for working with at least one non-profit, community-based organization in each county to enhance public awareness of the availability of and means of accessing such financial assistance by at-risk tenants.

The bill would also adjust the provisions of P.L.2020, c.1, which enhanced the Governor's powers to prevent evictions during times of a public health emergency or state of emergency, making the provisions only applicable to the COVID-19 pandemic. The bill would further require any restrictions on evictions established by Executive Order 106 of 2020 to expire on either August 31, or December 31, depending on a tenant's income level and certification. Restrictions on foreclosures established by the same executive order would expire on November 15, 2021.

The bill would also establish the Special Civil Part court fee for serving or executing any process, writ, order, execution, notice, or warrant as a \$7.00 fee.

Finally, the bill would appropriate from the funds provided to the State by the United States government for the purpose of providing relief to tenants affected in any way by the COVID-19 pandemic: for the “Eviction Prevention Program” the sum of \$750,000,000; for the Office of Eviction Prevention the sum of \$5,000,000. The bill directs that, of the monies appropriated, the department would use \$500,000,000 as rent assistance for very-low, low-, moderate-, and middle-income tenants, and the remainder for utility assistance. The bill also authorizes the department to use up to 2.5 percent of the appropriated monies for the purpose of funding those actions needed to effectively implement and administer the Eviction Prevention Program, \$2,000,000 million of which would be provided to nonprofit organizations for education and outreach regarding this program.

#### COMMITTEE AMENDMENTS

The committee amendments to the bill would accomplish the following:

- Define the term “area median income” and clarify the definitions of “assistance” and “household income”;
- Add the failure to pay a rent increase as a situation, along with nonpayment and habitual late rent payment, in which tenant is protected from eviction in the bill;
- Provide that the eviction protections in the bill would continue until August 31, 2021, or December 31, 2021, depending on the circumstances of the tenant;
- Change mechanism for providing eviction protections following the covered period so that very low-, low-, and moderate-income household tenants have such protections through the end of 2021 if the tenant certifies (1) the amount of income, (2) an inability to pay rent due to circumstances arising from the pandemic, and (3) that the tenant has applied for certain rental assistance programs;
- Permit an action by a landlord against a residential tenant to recover unpaid rent accrued during the covered period to be commenced in the Superior Court, Special Civil Part, regardless of the amount in controversy, and allow the Administrative Director of the Courts may take any administrative action necessary to provide a process for filing these actions in the court.
- Remove provisions requiring tenants to pay a percentage of covered period rent and the ability to benefit from eviction protections;
- Require the Administrative Director of the Courts to provide information on tenant protections, rental assistance programs,

and the necessary income and COVID-19 impact attestations to obtain assistance to any residential tenant who is party to a landlord tenant dispute for nonpayment of rent;

- If a case is dismissed and the landlord is required to subsequently file against the same tenant, allow the landlord to request that the case be reinstated with the court;
- As a condition of receiving certain rental assistance, prohibited landlords from imposing late fees for residential rent payments during the period when the assistance is provided;
- Require the “Eviction Prevention Program” established by the bill to supplement the COVID-19 Emergency Rental Assistance Program Phase II (CVERAP II) program opened by the department on March 22, 2021; instead of adjusting the existing “Homelessness Prevention Program”;
- Require the program to be open to accepting applications for assistance no later than the end of August, 2021;
- Clarify that assistance through the program may be used to pay various types of rent, as determined by the department;
- Clarify the criteria for a household to qualify for the program;
- Change the available form of program assistance to a subsidy sufficient to limit the household’s share of ongoing rent to 30 percent or less of the household’s income, depending on income level, and make other adjustments to how relief is awarded through the program;
- Remove express reference to conditions beyond the household’s control as a determinant of program eligibility;
- Provide that, during the program payment period, if a participating tenant experiences conditions that implied warranty of habitability, the tenant would be authorized to certify those conditions to the department, and, upon confirmation that the violation exists and notice to the landlord, the department would consider whether and in what amount rent may be withheld;
- Clarify details of the public information to be provided by the department on the program;
- Require any restrictions on evictions established by Executive Order 106 of 2020 to expire on either August 31, or December 31, depending on a tenant’s income level and certification;
- Establish the Special Civil Part court fee for serving or executing any process, writ, order, execution, notice, or warrant as a \$7.00 fee;
- Of the monies appropriated in the bill, require the department to use \$500,000,000 as rent assistance for very-low, low-, moderate-, and middle-income tenants, and the remainder for utility assistance;

- Permit DCA to use up to 2.5 percent of the amounts appropriated by the bill for Eviction Prevention Program administration;
- Remove a provision regarding the use of additional federal funding; and
- Make technical changes to the bill.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 3691**  
**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

DATED: MAY 20, 2021

**SUMMARY**

- Synopsis:** Provides financial relief to certain landlords and tenants in response to COVID-19 pandemic; and making appropriations.
- Type of Impact:** Potential increase in State expenditures and revenues. Potential increase in local revenues.
- Agencies Affected:** Department of Community Affairs, Attorney General, The Judiciary, and local housing authorities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Unpaid Rent from March 9, 2020 to August 31, 2021</u></b>
<b>Potential State Cost Increase</b>	Indeterminate
<b>Potential State Revenue Increase</b>	Indeterminate
<b>Potential Local Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill may potentially (1) increase State expenditures attributable to increased administrative costs for the Department of Community Affairs (DCA) and the Attorney General; (2) increase State revenues due to a court’s ability to impose a fine on a non-compliant landlord; and (3) increase local revenues attributable to certain local units serving as a local housing authority, and thereby a landlord eligible for assistance from funding provided by federal funds appropriated under the bill.
- The bill requires the DCA to rename the current “Homelessness Prevention Program” as the “Eviction and Homelessness Prevention Program,” revise the program regulations, prepare guidance covering the amount and duration of the program grants, and process program applications. The bill also requires the DCA to, at least 30 days prior to the expiration of the covered period, implement a comprehensive public information plan and a form notice to ensure that eligible tenants are aware of the assistance provided by the program. Within 30 days following enactment, the bill would also require the DCA to establish an “Office of Eviction Prevention.”
- 
- The bill would authorize the Attorney General, in response to a complaint from a tenant, or on the Attorney General’s independent initiative, to bring an action against a landlord who has allegedly violated the bill’s restrictions on nonpayment information dissemination. Following

the opportunity to correct any first violation, and upon a finding that non-compliance has occurred, the bill would authorize a court to impose a fine on a non-compliant landlord, not to exceed \$500 for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation, which would lead to an indeterminate increase in State revenues.

- 
- Additionally, according to information on the federal Department of Housing and Urban Development website, approximately 82 municipalities in the State serve as the local housing authority. Under the bill, local housing authorities collecting rental payments would be eligible to receive assistance from federal funds appropriated under the bill. The bill would appropriate at least \$755 million in federal funds to effectuate the provisions of the bill, but it is unclear how much of these monies may be used to reimburse the DCA and Attorney General for administrative costs. Finally, the OLS is unable to estimate how much unpaid rent is owed to local housing authorities and eligible for compensation under the program.

## **BILL DESCRIPTION**

This bill would provide financial relief to certain residential landlords and tenants in response to the COVID-19 pandemic.

Specifically, the bill would protect low-income, moderate-income, and middle-income households from residential evictions based upon nonpayment or habitual late payment of rent that accrued during the covered period, which began on March 1, 2020, and would last until the end of July 2021. The bill establishes definitions for very low-income, low-income, moderate-income, and middle-income households as those with incomes of 30 percent or less than, 50 percent or less than, between 50 and 80 percent of, and 80 percent to 120 percent of the area median income, respectively. The bill would require that payments made by a tenant after the covered period ends would be credited first to the current month's rental obligation, and any balance would be credited to any arrearage owed by the tenant. The bill provides that amount of rent due to a landlord during the covered period would be considered civil debt and could be pursued as a money judgment.

The bill provides that any amount of unpaid rent due either prior to the start of the covered period or after the covered period ends may be pursued in the manner allowed by law for any other landlord-tenant action for rent due outside of the covered period. However, the bill would provide low-income household tenants with continued protections from evictions for the month of August 2021 if they pay 50 percent of their rent for the month of August 2021. The remaining 50 percent of the low-income tenant's rent due for that month would be considered civil debt. Additionally, the bill would provide moderate-income household tenants with continued protections from evictions for the month of August 2021 if they pay 75 percent of their rent for the month of August 2021. The remaining 25 percent of rent due for that month would be considered civil debt. The bill would also prohibit a landlord from imposing any late fees for rent payments not made during the covered period.

The bill would require that all pending landlord-tenant actions alleging nonpayment or habitual late payment of rent that accrued during the covered period shall be stayed and shall be dismissed upon certification that the tenant is low-income, moderate-income, or middle-income and that the reason for filing was nonpayment or habitual late payment of rent during the covered period. The bill would require the Superior Court to return or credit to the landlord all fees paid by the landlord to file such cases.

The bill would authorize the Attorney General, in response to a complaint from a tenant, or on the Attorney General's independent initiative, to bring an action against a landlord who has allegedly violated the bill's restrictions on nonpayment information dissemination. The bill would

authorize a court to impose a fine on the non-compliant landlord, not to exceed \$500 for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation.

The bill would direct the DCA to rename the current “Homelessness Prevention Program” as the “Eviction and Homelessness Prevention Program” and provide revisions to the Homeless Prevention Program Regulations. At least 30 days prior to the expiration of the covered period, the department would be required to implement a comprehensive public information plan to ensure that eligible tenants are aware of the assistance provided by the program.

Within 30 days following enactment, the bill would require the department to establish an “Office of Eviction Prevention,” which would be responsible for: (1) the identification of all federal, State, local and other sources of financial assistance that could be used to prevent the eviction of residential tenants; (2) becoming knowledgeable with regard to the application process for each such program; and (3) identifying, and proposing remedies for, the gaps in the overall assistance system.

Finally, the bill would appropriate from the funds provided to the State by the United States government for the purpose of providing relief to tenants affected in any way by the COVID-19 pandemic: for the Eviction and Homelessness Prevention Program in the sum of \$750 million and for the Office of Eviction Prevention in the sum of \$5 million. The bill also authorizes the department to use up to \$20 million for the purpose of funding those actions needed to effectively implement and administer the Eviction and Homelessness Prevention Program, \$2 million of which would be provided to nonprofit organizations for education and outreach regarding this program. Additional federal funding for emergency rental assistance related to the COVID-19 pandemic would be appropriated to the foregoing programs as it becomes available.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that the bill may potentially (1) increase State expenditures attributable to increased administrative costs for the DCA and the Attorney General; (2) increase State revenues due to a court’s ability to impose a fine on a non-compliant landlord; and (3) increase local revenues attributable to certain local units serving as a local housing authority, and thereby a landlord eligible for assistance from funding provided by federal funds appropriated under the bill.

The bill requires the DCA to rename the current “Homelessness Prevention Program” as the “Eviction and Homelessness Prevention Program,” revise the program regulations, prepare guidance covering the amount and duration of the program grants, and process program applications. The bill also requires the DCA to, at least 30 days prior to the expiration of the covered period, implement a comprehensive public information plan and a form notice to ensure that eligible tenants are aware of the assistance provided by the program. Within 30 days following enactment, the bill would also require the DCA to establish an “Office of Eviction Prevention.”

The bill would authorize the Attorney General, in response to a complaint from a tenant, or on the Attorney General’s independent initiative, to bring an action against a landlord who has allegedly violated the bill’s restrictions on nonpayment information dissemination. Following the opportunity to correct any first violation, and upon a finding that non-compliance has occurred, the bill would authorize a court to impose a fine on a non-compliant landlord, not to exceed \$500

for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation, which would lead to an indeterminate increase in State revenues.

Additionally, according to information on the federal Department of Housing and Urban Development website, approximately 82 municipalities in the State serve as the local housing authority. Under the bill, local housing authorities collecting rental payments would be eligible to receive assistance from federal funds appropriated under the bill. The bill would appropriate at least \$755 million in federal funds to effectuate the provisions of the bill, but it is unclear how much of these monies may be used to reimburse the DCA and Attorney General for administrative costs. Finally, the OLS is unable to estimate how much unpaid rent is owed to local housing authorities and eligible for compensation under the program.

*Section: Local Government*

*Analyst: Benjamin A. Levy  
Assistant 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.).

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3691

## STATE OF NEW JERSEY 219th LEGISLATURE

DATED: JUNE 30, 2021

### SUMMARY

- Synopsis:** Provides financial relief to certain landlords and tenants in response to COVID-19 pandemic, adjusts certain court fees; and makes appropriations.
- Type of Impact:** Potential increase in State expenditures and revenues. Potential increase in local revenues.
- Agencies Affected:** Department of Community Affairs, Attorney General, the Judiciary, and local housing authorities.

#### Office of Legislative Services Estimate

Fiscal Impact	<u>Unpaid Rent from March 9, 2020 to</u> <u>August 31, 2021 or December 31, 2021</u>	
	<b>Potential State Cost Increase</b>	
<b>Potential State Revenue Increase</b>		Indeterminate
<b>Potential Local Revenue Increase</b>		Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill may potentially: (1) increase State expenditures attributable to increased administrative costs for the Department of Community Affairs (DCA), the Attorney General, and the Judiciary; (2) increase State revenues due to a court’s ability to impose a fine on a non-compliant landlord and a \$7 Special Civil Part court fee; and (3) increase local revenues attributable to certain local units serving as a local housing authority, and thereby a landlord eligible for assistance from funding provided by federal funds appropriated under the bill.
- The bill requires the DCA to establish an “Eviction Prevention program” to supplement the COVID-19 Emergency Rental Assistance Program Phase II (CVERAP II) program opened by the department on March 22, 2021, publish regulatory guidance to further the purpose of the program, and award grants to eligible households.
- The bill would authorize the Attorney General, in response to a complaint from a tenant, or on the Attorney General’s independent initiative, to bring an action against a landlord who has

allegedly violated the bill's restrictions on nonpayment information dissemination. Following the opportunity to correct any first violation, and upon a finding that non-compliance has occurred, the bill would authorize a court to impose a fine on a non-compliant landlord, not to exceed \$500 for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation, which would lead to an indeterminate increase in State revenues.

- The bill also requires the Administrative Director of the Courts to provide information on tenant protections, rental assistance programs, and the necessary income and COVID-19 impact attestations to obtain assistance to any residential tenant who is party to a landlord tenant dispute for nonpayment of rent. The courts could limit these costs through the bill's establishment of a the Special Civil Part court fee for serving or executing any process, writ, order, execution, notice, or warrant as a \$7.00 fee.
- Additionally, according to information on the federal Department of Housing and Urban Development website, approximately 82 municipalities in the State serve as the local housing authority. Under the bill, local housing authorities collecting rental payments would be eligible to receive assistance from federal funds appropriated under the bill. The bill would appropriate at least \$755 million in federal funds to effectuate the provisions of the bill.
- Finally, the OLS is unable to estimate how much unpaid rent is owed to local housing authorities and eligible for compensation under the program. Additionally, the ability for the DCA to withhold rental payments due to a violation if implied warrant of habitability could delay local revenues if the local housing authorities violate this obligation.

## **BILL DESCRIPTION**

This bill would provide financial relief to certain residential landlords and tenants in response to the COVID-19 pandemic, and alter certain court fees.

Specifically, the bill would protect very low-, low-, moderate-, and middle-income households from residential evictions based upon nonpayment or habitual late payment of rent, or a failure to pay a rent increase, that accrued during the covered period, which began on March 1, 2020, and would last until the end of August, 2021. However, for certain very-low, low-, and moderate-income tenants, eviction protections would last until the end of 2021. The bill establishes definitions for very low-income, low-income, moderate-income, and middle-income households as those with incomes of 30 percent or less than, 50 percent or less than, between 50 and 80 percent of, and 80 percent to 120 percent of the area median income, respectively. The bill would require that payments made by a tenant after the covered period ends would be credited first to the current month's rental obligation, and any balance would be credited to any arrearage owed by the tenant. The bill provides that amount of rent due to a landlord during the covered period would be considered civil debt and could be pursued as a money judgment.

The bill provides that any amount of unpaid rent due either prior to the start of the covered period or after the covered period ends may be pursued in the manner allowed by law for any other landlord-tenant action for rent due outside of the covered period. Eviction protections in the bill would continue to apply to very low-, low-, and moderate-income household tenants through the end of 2021 if the tenant household certifies, under penalty of perjury, (1) the amount of the household's income, (2) that the household was unable to pay rent due to circumstances arising from the pandemic, and (3) that the household has applied for certain rental assistance programs.

These certifications would be made on a form provided by the DCA. When completed, the tenant would provide a copy to the landlord, and to the court if facing a pending eviction action.

The bill directs the Administrative Director of the Courts to provide information on tenant protections, rental assistance programs, and the necessary income and COVID-19 impact attestations to obtain assistance to any residential tenant who is party to a landlord tenant dispute for nonpayment of rent.

The bill would require that all pending eviction actions alleging nonpayment, habitual late payment, or failure to accept an increase of residential rent that accrued during the covered period shall be dismissed upon certification that the tenant is very low-, low-, moderate-, or middle-income and that the reason for filing was nonpayment or habitual late payment of rent, or failure to pay a rent increase, during the covered period.

As a condition of receiving certain rental assistance, the landlord would be prohibited from imposing late fees for residential rent payments during the period when the assistance is provided.

The bill would prohibit a landlord from furnishing information about the nonpayment or late payment of rent, or failure to pay a rent increase, which accrued during the covered period, or other court filings or proceedings related to non-payment or late payment of rent which accrued during the covered period, directly to another residential landlord, or to a debt collection or credit reporting agency. This restriction would not apply to a tenant's rent payments that remain due as the result of a payment missed prior to March 1, 2020, limit the ability of a landlord to share information with the landlord's attorney or property management company, or notice the tenant in compliance with the Anti-Eviction Act.

If the action is conducted as a result of any record or information reflecting a tenant's non-payment or late payment of rent, or a related court filing, during the covered period, the bill would prohibit a landlord from refusing to rent to a prospective residential tenant, or placing, or disseminating a tenant's information for the purpose of placing, a tenant on a list for the use of other landlords for any purpose.

The bill would authorize the Attorney General, in response to a complaint from a tenant, or on the Attorney General's independent initiative, to bring an action alleging a landlord has violated the bill's restrictions on nonpayment information dissemination. Regarding a first violation, the court would provide the landlord with an opportunity to correct the violation prior to imposing a penalty. Following the provision of this opportunity to correct any first violation, upon a finding that non-compliance with this subsection has occurred, the bill would authorize a court of competent jurisdiction to:

- order the non-compliant landlord to retract the report of debt or court filing data;
- impose a fine on the non-compliant landlord, not to exceed \$500 for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation;
- order the non-compliant landlord to pay the tenant's reasonable counsel fee;
- provide a free copy of the order immediately upon the request of the tenant;
- order the non-compliant landlord to take such steps as are necessary, within 30 days of the order, to rehabilitate the credit record of the tenant; and
- if the tenant is able to show actual damages that have resulted from this violation, order the non-compliant landlord to pay an award of damages to the tenant not to exceed 25 percent of the debt attempted to be collected or reported by the non-complaint landlord to the collection or credit reporting agency, bureau, or data collection facility, with a minimum award of \$350.

A landlord who has furnished rental payment data to another landlord, collection or credit reporting agency related to the non-payment of rent during the covered period, but before the enactment of the bill would not be subject to these penalty provisions, except for any order to retract the report.

The bill would direct the Commissioner of Community Affairs to establish an “Eviction Prevention Program” to provide residential rental relief to residents who struggle to pay rent because of financial hardship directly or indirectly incurred as a result of the COVID-19 pandemic. The program would be open to accepting applications for assistance no later than the end of August, 2021. The commissioner would administer the program to provide for the following: (1) the program would be a supplement to the COVID-19 Emergency Rental Assistance Program Phase II (CVERAP II) program opened by the department on March 22, 2021, (2) a household would be eligible to participate in the program if, for reasons of pandemic-related hardship, the household is unable to make residential rental payments which are due and owing pursuant to a valid and enforceable oral or written lease, stipulation of settlement, judgment, order or other type of legally binding agreement, (3) a household would be eligible for assistance under this program regardless of whether the household has been served with a summons and complaint for eviction, (4) a household would be eligible for assistance if their annualized current income is no more than 80 percent of the area median income; however, the commissioner may establish funding priorities to benefit very low- and low-income households, (5) a household would be eligible for assistance under this program although it may be unlikely for the household to have the ability to pay shelter costs after the period of assistance has ended, (6) a household would be permitted to use assistance to pay current rent, accrued rent, and future rent, as determined by the department, and (7) the department would award grants for periods of up to two years or rent, depending upon the person’s or household’s particular circumstances and available funding. The department would provide assistance along a continuum based upon the income level of the tenant household, and would include deep subsidies, shallow subsidies, and flat amounts. The bill would authorize these grants be renewed to prevent eviction or homelessness. The commissioner would award grants for ongoing rent in accordance with the following guidelines and principles: (a) for a very low-income household, a deep subsidy may be provided in the amount necessary to limit the household’s share of ongoing rent to not more than 30 percent of the household’s income, (b) for a low-income household, a shallow subsidy may be provided in the amount necessary to limit the household’s share of ongoing rent to not more than 30 percent of the household’s income, provided, however, that the amount of any such subsidy would not exceed \$800 per month, and (c) for a moderate-income household, assistance in the form of a subsidy sufficient to limit the household’s share of ongoing rent to 30 percent or less of the household’s income, provided the subsidy does not exceed \$500 per month.

Finally, to qualify for rental assistance through the program, households would be required to demonstrate that someone in the household: (a) qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship, as a direct or indirect consequence of the pandemic; (b) demonstrates a risk of experiencing homelessness or housing instability; (c) falls within a household income threshold that establishes eligibility for rental assistance under the program; (d) has a lack of assets and savings to pay rent arrears or current and future rent; (e) is a State resident; and (f) is obligated to pay rent on a residential dwelling.

During the course of the payment period, if the department is notified by either the landlord or the program participant that a person or household has begun to experience difficulty paying rent due to pandemic-related hardships, the household’s income would be reevaluated in light of the changed conditions, and the person or household would be placed in a different assistance tier, if necessary, to prevent eviction. The program would require that, during the course of the payment period, a participant household would certify the household’s current income and family situation once every six months using a brief form to be developed by the department, including any necessary attachments. Beginning the month following receipt of a certification, the department would increase or decrease the amount of subsidy provided to the household in accordance with

the subsidy category applicable to the most recent reported income, provided that limited non-recurring short term increases in income would not require a subsidy adjustment. Finally, during the payment period, if a participating tenant experiences conditions that violate the implied warranty of habitability, the tenant would be authorized to certify those conditions to the department in writing. Based on this certification, the department would have an inspection conducted on the dwelling. Upon confirmation, and after providing the landlord an opportunity to cure, the department would consider whether and in what amount rent may be withheld.

No later than August 31, 2021, the department would be required to implement a comprehensive public information plan to ensure that eligible tenants are aware of the assistance provided by the program, and would provide such information in languages including English and Spanish. In addition, the department would prepare a form notice, in languages including English and Spanish, describing the program and distribute the notice to landlords for inclusion with any notice or complaint sent to a tenant related to an eviction for nonpayment of rent. Prior to the end of covered period, the landlord would be required to post a written notice in a conspicuous location within the common area of a multiple dwelling.

A program application would be required to state the monthly rent as established in the lease, the amount paid by the tenant or third parties, if any, the amount unpaid, the amount of security deposit funding that the tenant has applied against rent, and any other information required by the department for determining financial need.

An application would include a certification by the tenant as to the number of occupants of the unit, the tenant household's income, a brief statement or by the tenant explaining how the pandemic affected the tenant's ability to pay rent, and any other information required by the funding sources from which the program payments will be made.

Within 60 days following enactment, the bill would require the department to establish an "Office of Eviction Prevention," which would be responsible for: (1) the identification of all federal, State, local and other sources of financial assistance that could be used to prevent the eviction of residential tenants; (2) becoming knowledgeable with regard to the application process for each such program; and (3) identifying, and proposing remedies for, the gaps in the overall assistance system. This office would be responsible for the compilation, publication, and ongoing update of this information, and for working with at least one non-profit, community-based organization in each county to enhance public awareness of the availability of and means of accessing such financial assistance by at-risk tenants.

The bill would also adjust the provisions of P.L.2020, c.1, which enhanced the Governor's powers to prevent evictions during times of a public health emergency or state of emergency, making the provisions only applicable to the COVID-19 pandemic. The bill would further require any restrictions on evictions established by Executive Order 106 of 2020 to expire on either August 31, or December 31, depending on a tenant's income level and certification. Restrictions on foreclosures established by the same executive order would expire on November 15, 2020.

The bill would also establish the Special Civil Part court fee for serving or executing any process, writ, order, execution, notice, or warrant as a \$7.00 fee.

Finally, the bill would appropriate from the funds provided to the State by the United States government for the purpose of providing relief to tenants affected in any way by the COVID-19 pandemic: for the "Eviction Prevention Program" the sum of \$750,000,000; for the Office of Eviction Prevention the sum of \$5,000,000. The bill directs that, of the monies appropriated, the department would use \$500,000,000 as rent assistance for very-low, low-, moderate-, and middle-income tenants, and the remainder for utility assistance. The bill also authorizes the department to use up to 2.5 percent of the appropriated monies for the purpose of funding those actions needed to effectively implement and administer the Eviction Prevention Program, \$2,000,000 million of

which would be provided to nonprofit organizations for education and outreach regarding this program.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that the bill may potentially: (1) increase State expenditures attributable to increased administrative costs for the DCA, the Attorney General, and the Judiciary; (2) increase State revenues due to a court's ability to impose a fine on a non-compliant landlord and a \$7 Special Civil Part court fee; and (3) increase local revenues attributable to certain local units serving as a local housing authority, and thereby a landlord eligible for assistance from funding provided by federal funds appropriated under the bill.

The bill requires the DCA to establish an "Eviction Prevention program" to supplement the CVERAP II program opened by the department on March 22, 2021, publish regulatory guidance to further the purpose of the program, and award grants to eligible households.

The bill would authorize the Attorney General, in response to a complaint from a tenant, or on the Attorney General's independent initiative, to bring an action against a landlord who has allegedly violated the bill's restrictions on nonpayment information dissemination. Following the opportunity to correct any first violation, and upon a finding that non-compliance has occurred, the bill would authorize a court to impose a fine on a non-compliant landlord, not to exceed \$500 for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation, which would lead to an indeterminate increase in State revenues.

The bill also requires the Administrative Director of the Courts to provide information on tenant protections, rental assistance programs, and the necessary income and COVID-19 impact attestations to obtain assistance to any residential tenant who is party to a landlord tenant dispute for nonpayment of rent. The courts could limit these costs through the bill's establishment of a the Special Civil Part court fee for serving or executing any process, writ, order, execution, notice, or warrant as a \$7.00 fee.

Additionally, according to information on the federal Department of Housing and Urban Development website, approximately 82 municipalities in the State serve as the local housing authority. Under the bill, local housing authorities collecting rental payments would be eligible to receive assistance from federal funds appropriated under the bill. The bill would appropriate at least \$755 million in federal funds to effectuate the provisions of the bill.

Finally, the OLS is unable to estimate how much unpaid rent is owed to local housing authorities and eligible for compensation under the program. Additionally, the ability for the DCA to withhold rental payments due to a violation if implied warrant of habitability could delay local revenues if the local housing authorities violate this obligation.

*Section: Local Government*

*Analyst: Benjamin A. Levy  
Assistant 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. 5685

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 12, 2021

**Sponsored by:**

**Assemblywoman BRITNEE N. TIMBERLAKE**

**District 34 (Essex and Passaic)**

**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**Assemblywoman ANGELA V. MCKNIGHT**

**District 31 (Hudson)**

**Assemblywoman SHANIQUE SPEIGHT**

**District 29 (Essex)**

**Co-Sponsored by:**

**Assemblywomen Jasey, Chaparro, Assemblyman Caputo,  
Assemblywomen Reynolds-Jackson, Vainieri Huttle and Quijano**

**SYNOPSIS**

Provides financial relief to certain landlords and tenants in response to COVID-19 pandemic; and making appropriations.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/16/2021)**

A5685 TIMBERLAKE, WIMBERLY

2

1 AN ACT providing financial relief to certain landlords and tenants in  
2 response to the COVID-19 pandemic, supplementing Title 52 of  
3 the Revised Statutes, and amending P.L.2020, c.1.

4

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

7

8 1. (New section) The Legislature finds and declares that:

9 a. The mortal threat posed by the COVID-19 pandemic  
10 compelled the Governor and Legislature to take drastic but  
11 necessary action. Executive Order No. 103 of 2020 effectively shut  
12 down the New Jersey economy on March 9, 2020, in order to hinder  
13 the rapid spread of the virus and to limit as much as possible the  
14 number of infections, severe illnesses, and deaths. During the same  
15 time period, the Governor and Legislature enacted P.L.2020, c.1  
16 (C.2A:18-59.3) and the Governor issued Executive Order No. 106  
17 of 2020, and implemented a moratorium on evictions, so as to  
18 ensure that during the covered period, households would be able to  
19 shelter in place and eliminate the threat posed by displacement,  
20 overcrowding, and the resultant spread of the virus.

21 b. The foregoing measures caused severe economic difficulties  
22 for landlords and tenants alike. Tenants, who in general have lower-  
23 incomes and far less wealth than homeowners, have been  
24 disproportionately affected: a large number of them immediately  
25 became and remain unemployed or underemployed. This is  
26 especially so for lower-income people of color, who are  
27 predominantly tenants and who continue to be victimized by  
28 systemic and structural racism, which has left them severely  
29 disadvantaged and extremely vulnerable to health emergencies and  
30 economic downturns.

31 c. Millions of jobs in our State and elsewhere have been  
32 permanently lost, and a significant number of jobs abruptly  
33 interrupted by the virus-driven shutdown have yet to return.

34 d. As a result, thousands of tenants in our State are unable to  
35 pay all or even part of the rental arrearages caused by the pandemic  
36 when the moratorium ends, and these tenants will also find it  
37 extremely difficult to make their future, ongoing regular monthly  
38 rental payments once they resume.

39 e. An overwhelming number of struggling tenant households,  
40 that are disproportionately Black and brown, will therefore be at  
41 risk of eviction for non-payment of all or part of their rent due and  
42 owing shortly after the moratorium is lifted. Combining the number  
43 of struggling tenants with the number of people at risk of  
44 displacement if the arrearage and future rent payment issues are not  
45 addressed, evictions and the resulting overcrowding, could create

**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 conditions that will lead to a resurgence and new spread of COVID-  
2 19.

3 f. At the same time, landlords have shouldered the financial  
4 burden of housing over a million tenants, as well as the costs of  
5 maintaining the buildings, paying their mortgages, taxes, and other  
6 financial obligations with little to no help from the State or federal  
7 government.

8 g. While housing is a necessity, it is unfair to require private  
9 sector landlords to provide such housing without compensation or  
10 assistance, while at the same time, requiring them to continue to  
11 maintain those properties and pay their financial obligations,  
12 including State and local taxes.

13 h. In Executive Order No. 106 of 2020, the Governor expressly  
14 stated that protection and preservation of personal and public health  
15 was the primary reason driving the imposition of the economic  
16 shutdown and eviction moratorium, a health-centered concern  
17 echoed and reinforced by the national eviction moratorium  
18 subsequently mandated by the federal Centers for Disease Control  
19 and Prevention. With the surge in vaccinations and a corresponding  
20 drop in COVID-19 pandemic-related hospitalizations, the public  
21 health justification to maintain the eviction moratorium will also  
22 end, and the Legislature deems it necessary to help struggling  
23 tenants avoid displacement and to compensate landlords for  
24 providing this necessary shelter to many tenants without  
25 compensation during the pandemic.

26 i. In providing these protections, the State must ensure that  
27 rent arrearages accrued during the covered period are not used as a  
28 mechanism for eviction. Rather, such debt shall be treated as civil  
29 debt, subject to recovery by the landlord in a civil suit for a money  
30 judgment, which will balance the obligations of the tenant under a  
31 lease contract with the need to provide housing stability. In  
32 addition, the monetary jurisdiction of the courts that normally deal  
33 with civil debt must be increased.

34 j. It is also incumbent upon the State to make the distinction  
35 between those tenants who were legitimately impacted by the  
36 pandemic and those who were and are either exploiting the eviction  
37 moratorium or have the means to pay their rent but refuse to do so.

38 k. It is, therefore, necessary for the Legislature to assist  
39 landlords who have suffered deep economic losses through no fault  
40 of their tenants or themselves, and, simultaneously, make efforts to  
41 assist tenants who need help as a result of this crisis, in order to  
42 ensure some measure of security and stability for their families and  
43 communities; provide landlords with the restored rental income  
44 stream required to safely and efficiently operate their buildings; and  
45 prevent a resurgence of the COVID-19 pandemic that will threaten  
46 the health and safety of tenants, landlords, and the public at large.

A5685 TIMBERLAKE, WIMBERLY

4

1       2. (New section) As used in P.L. , c. (C. ) (pending  
2 before the Legislature as this bill):

3       “Assistance” means cash payments for unpaid rent provided to  
4 the landlord by any federal, State, county, or local rental assistance  
5 program.

6       “Commissioner” means the Commissioner of Community  
7 Affairs.

8       “Covered period” means the period beginning on March 1, 2020,  
9 and ending on July 31, 2021.

10       “COVID-19 pandemic” means the outbreak of COVID-19  
11 throughout the world, recognized as a pandemic by the World  
12 Health Organization on March 11, 2020.

13       “Credit reporting agency” means any consumer reporting agency  
14 as that term is defined by the federal “Fair Credit Reporting Act,”  
15 15 U.S.C. s.1681 et seq., which shall include any agencies which  
16 specialize in tenant screening or rental history reporting.

17       “Deep subsidy” means a rental housing subsidy which limits the  
18 tenant’s share of the monthly rent to a percentage of the tenant’s  
19 income, and which can be adjusted to maintain that percentage  
20 should the tenant’s income change.

21       “Department” means the Department of Community Affairs.

22       “Household income” means the combined income of all  
23 household members annualized at the time of filing of an  
24 application for assistance or protection.

25       “Low-income household” means a household with a total current  
26 annual household income equal to 50 percent or less of the area  
27 median income for a household of the same size and composition.

28       “Middle-income household” means a household with a total  
29 current gross annual household income of 80 percent or more than,  
30 but less than 120 percent of, the area median income for a  
31 household of the same size and composition.

32       “Moderate-income household” means a household with a total  
33 current gross annual household income in excess of 50 percent but  
34 less than 80 percent of the area median income for a household of  
35 the same size and composition.

36       “Shallow subsidy” means a rental housing subsidy provided in an  
37 amount based on the percentage of the fair market rent of the unit,  
38 depending on the household size and location, which shall be  
39 capped at a fixed amount.

40       “Very low-income household” means a household with a total  
41 current annual household income less than or equal to 30 percent of  
42 the area median income for a household of the same size and  
43 composition.

44

45       3. (New section) a. Notwithstanding any other law to the  
46 contrary, no residential tenant of a low-income household,  
47 moderate-income household, or middle-income household shall be  
48 evicted based upon nonpayment or habitual late payment of rent

1 that accrued during the covered period. Payments made by a tenant  
2 after the covered period ends shall be credited first to the current  
3 month's rental obligation, and any balance shall be credited to any  
4 arrearage owed by the tenant.

5 b. Any amount of rent due and owing by a residential tenant  
6 described in subsection a. of this section to a landlord during the  
7 covered period shall be considered civil debt and may be pursued as  
8 a money judgment in the appropriate division of the Superior Court.  
9 Such civil debt based on rental arrears shall be considered evidence  
10 of housing instability or risk of homelessness for the purpose of  
11 qualifying a household for rental assistance under any federal,  
12 State, county, or local program.

13 c. Any amount of rent due and owing either prior to the start of  
14 the covered period or after the covered period ends may be pursued  
15 in the manner allowed by law for any other landlord-tenant action  
16 for rent due outside of the covered period.

17 (1) Notwithstanding the provisions of this section to the  
18 contrary, low-income household tenants shall have continued  
19 protections from evictions for residential rent arrearages incurred  
20 from the end of the covered period through August 31, 2021 if the  
21 household pays 50 percent of their rent due for the month of August  
22 2021, and the remaining 50 percent of rent due for that month shall  
23 be considered civil debt.

24 (2) Notwithstanding the provisions of this section to the  
25 contrary, moderate-income household tenants shall have continued  
26 protections from evictions for residential rent arrearages incurred  
27 from the end of the covered period through August 31, 2021 if the  
28 household pays 75 percent of their rent due for the month of August  
29 2021, and the remaining 25 percent of rent due for that month shall  
30 be considered civil debt.

31 d. All pending landlord-tenant actions alleging nonpayment or  
32 habitual late payment of residential rent that accrued during the  
33 covered period shall be stayed and shall be dismissed upon  
34 certification by the tenant, under penalty of perjury, that the tenant  
35 is a low-income household, moderate-income household, or middle-  
36 income household and that the reason for filing was nonpayment or  
37 habitual late payment of rent during the covered period.

38 e. For any case that is stayed pursuant to P.L. , c. (C. )  
39 (pending before the Legislature as this bill), the Superior Court  
40 shall return or credit to the landlord all fees paid by the landlord to  
41 file such cases.

42 f. After the expiration of the covered period, a landlord shall be  
43 entitled to pursue a money judgment against a residential tenant for  
44 any and all lawfully due and owing unpaid rent that was converted  
45 into civil debt pursuant to P.L. , c. (C. ) (pending before the  
46 Legislature as this bill), for which compensation is not otherwise  
47 provided by any public or private source, by filing an action in the  
48 appropriate division of the Superior Court. Nothing in P.L. ,

1 c. (C. ) (pending before the Legislature as this bill) shall  
2 impact any action for a money judgment or vacate any money  
3 judgment entered during the covered period, unless the debt is  
4 satisfied.

5 g. The Administrative Director of the Courts shall modify the  
6 jurisdictional limits of the Small Claims Section of the Special Civil  
7 Part to \$9,000 for actions to recover unpaid residential rent that  
8 accrued during the covered period.

9 h. The Administrative Director of the Courts shall modify the  
10 jurisdictional limits of the regular Special Civil Part to \$45,000 for  
11 actions to recover unpaid residential rent that accrued during the  
12 covered period.

13 i. A tenant in such an action shall retain the right to assert any  
14 and all counterclaims, setoffs, legal defenses, affirmative defenses,  
15 and equitable defenses that would otherwise be available to them.

16 j. A landlord shall not impose any late fees for residential rent  
17 payments not made during the covered period.

18 k. (1) Consistent with the provisions of 15 U.S.C. s.1681s-  
19 2(a)(1)(F), a landlord shall not at any time furnish information  
20 about the nonpayment or late payment of residential rent which  
21 accrued during the covered period, or summary dispossession or other  
22 court filings or proceedings related to non-payment or late payment  
23 of residential rent which accrued during the covered period, directly  
24 to another residential landlord, or to a debt collection or credit  
25 reporting agency. This paragraph shall not:

26 (a) apply to a tenant's rent payments that remain due as the  
27 result of a payment missed prior to the March 1, 2020, including  
28 payments held in escrow before that date; or

29 (b) limit the ability of a landlord to share information with the  
30 landlord's attorney or property management company, or to notice  
31 the tenant in compliance with the Anti-Eviction Act, P.L.1974, c.49  
32 (C.2A:18-61.1 et seq.).

33 (2) As a result of any record or information reflecting a tenant's  
34 non-payment or late payment of residential rent, or a related court  
35 filing, during the covered period, a landlord shall not:

36 (a) refuse to rent to a prospective tenant of residential rental  
37 housing; or

38 (b) place, or disseminate a residential tenant's information for  
39 the purpose of placing, a tenant on a list for the use of other  
40 landlords for any purpose.

41 (3) In addition to a tenant's right to pursue an action seeking  
42 injunctive or declaratory relief for a violation of this subsection, the  
43 Attorney General, in response to a complaint from a tenant, or on  
44 the Attorney General's independent initiative, may bring an action  
45 alleging a landlord has violated the provisions of this subsection.  
46 Regarding a first violation, the court shall provide the landlord with  
47 an opportunity to correct the violation prior to imposing a penalty.  
48 Following the provision of this opportunity to correct any first

1 violation, upon a finding that non-compliance with this subsection  
2 has occurred, a court of competent jurisdiction may:

3 (a) order the non-compliant landlord to retract the report of debt  
4 or court filing data provided to the collection or credit reporting  
5 agency, bureau, or data collection facility;

6 (b) impose a fine on the non-compliant landlord, not to exceed  
7 \$500 for a first violation, \$1,000 for a second violation, and \$2,500  
8 for each subsequent violation;

9 (c) order the non-compliant landlord to pay a reasonable counsel  
10 fee in connection with a tenant whose debt has been reported to a  
11 debt collection or credit reporting agency, bureau, or data collection  
12 facility;

13 (d) provide a copy of the order immediately upon the request of  
14 the tenant and at no cost to the tenant;

15 (e) order the non-compliant landlord to take such steps as are  
16 necessary, within 30 days of the order, to rehabilitate the credit  
17 record of the tenant, with an exact copy provided to the tenant at no  
18 cost, of the efforts made in that regard; and

19 (f) if the tenant is able to show actual damages that have  
20 resulted from a violation of this section, order the non-compliant  
21 landlord to pay an award of damages to the tenant not to exceed 25  
22 percent of the debt attempted to be collected or reported by the non-  
23 complaint landlord to the collection or credit reporting agency,  
24 bureau, or data collection facility, with a minimum award of \$350.

25 (4) If a landlord furnishes rental payment data to another  
26 landlord, collection or credit reporting agency related to the non-  
27 payment of rent during the covered period, but before the enactment  
28 of P.L. , c. (C. ) (pending before the Legislature as this  
29 bill), the landlord shall not be subject to the penalty provisions of  
30 this section, except for an order to retract the report pursuant to  
31 paragraph (3) of this subsection.

32

33 4. (New section) a. The commissioner shall rename the  
34 current "Homelessness Prevention Program" established pursuant to  
35 the provisions of P.L.1984, c.180 (C.52:27D-280 et al.), as the  
36 "Eviction and Homelessness Prevention Program."

37 b. The commissioner shall revise and amend the "Homeless  
38 Prevention Program Regulations" established pursuant to chapter 41  
39 of Title 5 of the New Jersey Administrative Code to meet or provide  
40 for the following:

41 (1) the regulations shall be renamed the "Eviction and  
42 Homelessness Prevention Program Regulations";

43 (2) a household shall be eligible to participate in the program if,  
44 due to reasons beyond the household's control, the household is  
45 unable to make residential rental payments which are due and  
46 owing pursuant to a valid and enforceable oral or written lease,  
47 stipulation of settlement, judgment, order or other type of legally  
48 binding agreement;

1 (3) a household shall be eligible for assistance under this  
2 program regardless of whether the household has been served with a  
3 summons and complaint for eviction, and an oral or written  
4 communication from the landlord indicating that an eviction filing  
5 is imminent or contemplated shall be sufficient to trigger eligibility  
6 for the program;

7 (4) a household shall be eligible for assistance if their  
8 annualized current income is no more than 120 percent of the area  
9 median income; however, the commissioner may establish funding  
10 priorities to benefit very low-income and low-income households;

11 (5) a household shall be eligible for assistance under this  
12 program although it may be unlikely for the household to have the  
13 ability to pay shelter costs after the period of assistance has ended;

14 (6) eligible households shall be awarded grants for periods of up  
15 to two years, depending upon the person's or household's particular  
16 circumstances. The department shall provide assistance along a  
17 continuum based upon the income level of the tenant household,  
18 and shall include deep subsidies, shallow subsidies, and flat  
19 amounts. Such grants may be renewed to prevent eviction or  
20 homelessness. The commissioner shall prepare detailed guidance  
21 covering the amount and duration of such grants, in accordance  
22 with the following guidelines and principles:

23 (a) for a very low-income household, a deep subsidy shall be  
24 provided in the amount necessary to limit the household's share of  
25 ongoing rent to not more than 40 percent of the household's  
26 income;

27 (b) for a low-income household that is not also very low-  
28 income, a shallow subsidy shall be provided in the amount  
29 necessary to limit the household's share of ongoing rent to not more  
30 than 40 percent of the household's income, provided, however, that  
31 the amount of any such subsidy shall not exceed \$800 per month;  
32 and

33 (c) for a moderate-income or middle-income household,  
34 assistance in the form of a flat monthly grant of \$250 shall be  
35 provided to the household if the household pays more than 50  
36 percent of the household's income as ongoing rent.

37 (7) during the course of the payment period, if the department is  
38 notified by either the landlord or the program participant that a  
39 person or household has begun to experience difficulty paying rent  
40 as a result of reasons beyond the household's control, the  
41 household's income and family situation shall be reevaluated in  
42 light of the changed conditions, and the person or household shall  
43 be placed in a different assistance tier, if necessary, to prevent  
44 eviction; and

45 (8) during the course of the payment period, a participant  
46 household shall certify the household's current income once every  
47 three months, using a one-page form to be developed by the  
48 department, including any necessary attachments. Beginning the

1 month following receipt of a certification, the department shall  
2 increase or decrease the amount of subsidy provided to the  
3 household in accordance with the subsidy category applicable to the  
4 most recent reported income, provided that limited non-recurring  
5 short term increases in income shall not require a subsidy  
6 adjustment.

7 c. Notwithstanding any other law or regulation to the contrary,  
8 any revisions to the program regulations or operating procedures  
9 required by this section shall take effect immediately.

10 d. At least 30 days prior to the expiration of the covered period,  
11 the department shall implement a comprehensive public information  
12 plan to create awareness among eligible tenants of the assistance  
13 provided by the program. This plan shall include but not be limited  
14 to public service announcements, information about the program in  
15 governmental notices and utility providers billings, notices to  
16 landlords as to how to assist their tenants in applying for the  
17 program, outreach to underserved populations, postings on social  
18 media, and any other means likely to ensure that tenants will be  
19 aware of the programs existence. In addition, the department shall  
20 prepare a form notice describing the program and distribute the  
21 notice to all landlords for inclusion with any notice or complaint  
22 sent to a tenant related to an eviction for nonpayment of rent. Prior  
23 to the end of covered period, the landlord shall post a written notice  
24 in a conspicuous location within the common area of a multiple  
25 dwelling highlighting the potential availability of rental assistance  
26 from the Eviction and Homelessness Prevention Program and other  
27 governmental assistance programs included in the department's  
28 form notice.

29 e. (1) A program application shall state the total amount of rent  
30 due from the landlord's residential tenants established in the  
31 corresponding leases, the amount paid by the tenants or third  
32 parties, if any, the amount unpaid, the amount of security deposit  
33 funding that the landlord's tenants have applied against rent  
34 pursuant to Executive Order No. 128 of 2020, and any other  
35 information required by the department for determining financial  
36 need.

37 (2) An application shall include a certification by the tenant as  
38 to:

39 (a) the number of occupants of the unit;

40 (b) the tenant household's income; and

41 (c) if a specific funding source is involved, a certification  
42 providing the minimum amount of information needed to comply  
43 with the requirements of that funding source.

44 The commissioner shall make the application forms and related  
45 verification requirements as simple as possible, shall require the  
46 minimum documentation permissible by said funding sources, and  
47 shall rely on self-certification and verification to the greatest extent

1 possible. Any certifications made by a tenant under this program  
2 shall remain confidential to the maximum extent possible.

3 (3) A residential tenant household applying for assistance shall  
4 be deemed presumptively eligible if it meets the income  
5 requirements and is in need of the immediate provision of  
6 assistance to avoid an eviction filing, judgment for possession, or  
7 actual displacement. Such assistance as is needed shall be  
8 provided, and shall be extended in monthly increments as necessary  
9 in order for the application process, including any administrative  
10 appeals, to be completed and a final determination made with  
11 regard to eligibility. A court of this State may take into  
12 consideration any pending application for rental assistance with  
13 regard to the timing of the entry of a judgment for possession.

14 f. The program established by this section shall work closely  
15 with the Office of Eviction Prevention established by section 5 of  
16 P.L. , c. (C. ) (pending before the Legislature as this bill) in  
17 order to (1) ensure that tenants receive the maximum assistance for  
18 which they are qualified to avoid displacement and retain or obtain  
19 decent, affordable, safe and suitable housing; and (2) ensure that all  
20 available sources of potential assistance are explored and utilized in  
21 order to effectively and efficiently extend the reach and efficacy of  
22 the funding provided to this program by the State.

23

24 5. (New section) a. Within 30 days of the enactment of P.L. ,  
25 c. (C. ) (pending before the Legislature as this bill), the  
26 department shall establish an "Office of Eviction Prevention,"  
27 which shall be responsible for:

28 (1) identifying all federal, State, local and other sources of  
29 financial assistance which are intended or could be used to prevent  
30 the eviction of residential tenants, including but not limited to  
31 programs which provide both deep and shallow rental subsidies;

32 (2) becoming knowledgeable with regard to the application  
33 process for each such program; and

34 (3) identifying, and proposing remedies for, the gaps in the  
35 overall assistance system, especially in relation to eligibility  
36 requirements and the need for addition to, or revision of, subsidy  
37 programs so as to provide appropriate assistance of various sorts  
38 and in various amounts to households at different income levels.

39 b. This office shall be responsible for the compilation,  
40 publication, and ongoing update of this information, and shall also  
41 be responsible for identifying and training at least one non-profit,  
42 community-based organization in each county with regard to the  
43 availability of and means of accessing such financial assistance by  
44 at-risk tenants.

45

46 6. Section 1 of P.L.2020, c.1 (C.2A:18-59.3) is amended to  
47 read as follows:

1       1. a. Notwithstanding any other law to the contrary, whenever  
2 a Public Health Emergency, pursuant to the "Emergency Health  
3 Powers Act," P.L.2005, c.222 (C.26:13-1 et seq.) **],** or a State of  
4 Emergency, pursuant to P.L.1942, c.251 (C.App.A.9-33 et seq.), or  
5 both,**]** has been declared by the Governor in response to the  
6 COVID-19 pandemic and is in effect, the Governor may issue an  
7 executive order to declare that a lessee, tenant, homeowner or any  
8 other person shall not be removed from a residential property as the  
9 result of an eviction action based on the nonpayment or habitual  
10 late payment of rent or foreclosure proceeding. This executive  
11 order shall remain in effect **]**for no longer than two months  
12 following the end of the Public Health Emergency or State of  
13 Emergency**]** until July 31, 2021, except that the executive order  
14 may be extended if there is substantial evidence that  
15 hospitalizations and deaths due to the COVID-19 pandemic are  
16 likely to recur or substantially worsen if an extension is not ordered.  
17 The Governor shall adjust the executive order issued pursuant to  
18 P.L.2020, c.1 (C.2A:18-59.3) through the issuance of a subsequent  
19 executive order, in order to comply with P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_)  
20 (pending before the Legislature as this bill).

21       b. Eviction and foreclosure proceedings may be initiated or  
22 continued during the time of an executive order issued pursuant to  
23 this section, but enforcement of all judgments for possession,  
24 warrants of removal, and writs of possession shall be stayed during  
25 this period if the Governor has issued an executive order prohibiting  
26 certain removals from residential property pursuant to subsection a.  
27 of this section, unless the court determines on its own motion or  
28 motion of the parties that enforcement is necessary in the interest of  
29 justice.

30       c. Sheriffs, court officers, and their agents shall refrain from  
31 acting to remove individuals from residential properties through the  
32 eviction or foreclosure processes during the time of an executive  
33 order issued by the Governor prohibiting certain removals from  
34 residential property pursuant to subsection a. of this section, unless  
35 the court determines on its own motion or motion of the parties that  
36 removal is necessary in the interest of justice.

37       d. As used in this section, "residential property" means any  
38 property rented or owned for residential purposes, including, but  
39 not limited to, any house, building, mobile home or land in a mobile  
40 home park, or tenement leased for residential purposes, but shall not  
41 include any hotel, motel, or other guest house, or part thereof,  
42 rented to a transient guest or seasonal tenant, or a residential health  
43 care facility.

44 (cf: P.L.2020, c.1, s.1)

45

46       7. (New section) The following sums are appropriated from the  
47 funds provided to the State by the United States government for the  
48 purpose of providing relief to tenants affected in any way due to the

1 COVID-19 pandemic: for the “Eviction and Homelessness  
2 Prevention Program” the sum of \$750,000,000; for the Office of  
3 Eviction Prevention the sum of \$5,000,000. The department may  
4 use up to \$20,000,000 of the sums appropriated pursuant to this  
5 section for the purpose of funding those actions needed to  
6 effectively implement and administer the Eviction and  
7 Homelessness Prevention Program, \$2,000,000 million of which  
8 shall be provided to nonprofit organizations for supporting the  
9 education and outreach for this program. Additional federal  
10 funding for emergency rental assistance related to the COVID-19  
11 pandemic shall be appropriated to the foregoing programs as it  
12 becomes available. Households otherwise ineligible for assistance  
13 using federal funds shall be assisted with State funds.

14

15 8. This act shall take effect immediately.

16

17

18

#### STATEMENT

19

20 This bill would provide financial relief to certain residential  
21 landlords and tenants in response to the COVID-19 pandemic.

22 Specifically, the bill would protect low-income, moderate-  
23 income, and middle-income households from residential evictions  
24 based upon nonpayment or habitual late payment of rent that  
25 accrued during the covered period, which began on March 1, 2020,  
26 and would last until the end of July, 2021. The bill establishes  
27 definitions for very low-income, low-income, moderate-income,  
28 and middle-income households as those with incomes of 30 percent  
29 or less than, 50 percent or less than, between 50 and 80 percent of,  
30 and 80 percent to 120 percent of the area median income,  
31 respectively. The bill would require that payments made by a  
32 tenant after the covered period ends would be credited first to the  
33 current month’s rental obligation, and any balance would be  
34 credited to any arrearage owed by the tenant. The bill provides that  
35 amount of rent due to a landlord during the covered period would be  
36 considered civil debt and could be pursued as a money judgment.

37 The bill provides that any amount of unpaid rent due either prior  
38 to the start of the covered period or after the covered period ends  
39 may be pursued in the manner allowed by law for any other  
40 landlord-tenant action for rent due outside of the covered period.  
41 However, the bill would provide low-income household tenants  
42 with continued protections from evictions for the month of August  
43 2021 if they pay 50 percent of their rent for the month of August  
44 2021. The remaining 50 percent of the low-income tenant’s rent  
45 due for that month would be considered civil debt. Additionally,  
46 the bill would provide moderate-income household tenants with  
47 continued protections from evictions for the month of August 2021  
48 if they pay 75 percent of their rent for the month of August 2021.

1 The remaining 25 percent of rent due for that month would be  
2 considered civil debt. The bill would also prohibit a landlord from  
3 imposing any late fees for rent payments not made during the  
4 covered period.

5 The bill would require that all pending landlord-tenant actions  
6 alleging nonpayment or habitual late payment of rent that accrued  
7 during the covered period shall be stayed and shall be dismissed  
8 upon certification that the tenant is low-income, moderate-income,  
9 or middle-income and that the reason for filing was nonpayment or  
10 habitual late payment of rent during the covered period. The bill  
11 would require the Superior Court to return or credit to the landlord  
12 all fees paid by the landlord to file such cases.

13 The bill would direct the court to modify the jurisdictional limits  
14 of the Small Claims Section of the Special Civil Part to \$9,000, and  
15 modify the regular Special Civil Part to \$45,000, for actions to  
16 recover unpaid rent that accrued during the covered period related  
17 to a landlord-tenant action under the bill.

18 The bill would prohibit a landlord from furnishing information  
19 about the nonpayment or late payment of rent which accrued during  
20 the covered period, or other court filings or proceedings related to  
21 non-payment or late payment of rent which accrued during the  
22 covered period, directly to another residential landlord, or to a debt  
23 collection or credit reporting agency. This restriction would not  
24 apply to a tenant's rent payments that remain due as the result of a  
25 payment missed prior to March 1, 2020, limit the ability of a  
26 landlord to share information with the landlord's attorney or  
27 property management company, or notice the tenant in compliance  
28 with the Anti-Eviction Act.

29 If the action is conducted as a result of any record or information  
30 reflecting a tenant's non-payment or late payment of rent, or a  
31 related court filing, during the covered period, the bill would  
32 prohibit a landlord from refusing to rent to a prospective residential  
33 tenant, or placing, or disseminating a tenant's information for the  
34 purpose of placing, a tenant on a list for the use of other landlords  
35 for any purpose.

36 The bill would authorize the Attorney General, in response to a  
37 complaint from a tenant, or on the Attorney General's independent  
38 initiative, to bring an action alleging a landlord has violated the  
39 bill's restrictions on nonpayment information dissemination.  
40 Regarding a first violation, the court would provide the landlord  
41 with an opportunity to correct the violation prior to imposing a  
42 penalty. Following the provision of this opportunity to correct any  
43 first violation, upon a finding that non-compliance with this  
44 subsection has occurred, the bill would authorize a court of  
45 competent jurisdiction to:

- 46 • order the non-compliant landlord to retract the report of debt  
47 or court filing data;

- 1 • impose a fine on the non-compliant landlord, not to exceed
- 2 \$500 for a first violation, \$1,000 for a second violation, and
- 3 \$2,500 for each subsequent violation;
- 4 • order the non-compliant landlord to pay the tenant's
- 5 reasonable counsel fee;
- 6 • provide a free copy of the order immediately upon the
- 7 request of the tenant;
- 8 • order the non-compliant landlord to take such steps as are
- 9 necessary, within 30 days of the order, to rehabilitate the
- 10 credit record of the tenant; and
- 11 • if the tenant is able to show actual damages that have
- 12 resulted from this violation, order the non-compliant
- 13 landlord to pay an award of damages to the tenant not to
- 14 exceed 25 percent of the debt attempted to be collected or
- 15 reported by the non-complaint landlord to the collection or
- 16 credit reporting agency, bureau, or data collection facility,
- 17 with a minimum award of \$350.

18 A landlord who has furnished rental payment data to another  
19 landlord, collection or credit reporting agency related to the non-  
20 payment of rent during the covered period, but before the enactment  
21 of the bill would not be subject to these penalty provisions, except  
22 for any order to retract the report.

23 The bill would direct the Commissioner of Community Affairs  
24 ("commissioner") to rename the current "Homelessness Prevention  
25 Program" ("program") as the "Eviction and Homelessness  
26 Prevention Program." The commissioner would revise the program  
27 regulations to provide for the following: (1) the regulations would  
28 be renamed the "Eviction and Homelessness Prevention Program  
29 Regulations", (2) a household would be eligible to participate in the  
30 program if, due to reasons beyond the household's control, the  
31 household is unable to make residential rental payments which are  
32 due and owing pursuant to a valid and enforceable oral or written  
33 lease, stipulation of settlement, judgment, order or other type of  
34 legally binding agreement, (3) a household would be eligible for  
35 assistance under this program regardless of whether the household  
36 has been served with a summons and complaint for eviction, (4) a  
37 household would be eligible for assistance if their annualized  
38 current income is no more than 80 percent of the area median  
39 income; however, the commissioner may establish funding  
40 priorities to benefit very low-income and low-income households,  
41 (5) a household would be eligible for assistance under this program  
42 although it may be unlikely for the household to have the ability to  
43 pay shelter costs after the period of assistance has ended, and (6)  
44 eligible households would be awarded grants for periods of up to  
45 two years, depending upon the person's or household's particular  
46 circumstances. The Department of Community Affairs  
47 ("department") would provide assistance along a continuum based  
48 upon the income level of the tenant household, and would include

1 deep subsidies, shallow subsidies, and flat amounts. The bill would  
2 authorize these grants be renewed to prevent eviction or  
3 homelessness. The commissioner would prepare guidance covering  
4 the amount and duration of the grants, in accordance with the  
5 following guidelines and principles: (a) for a very low-income  
6 household, a deep subsidy would be provided in the amount  
7 necessary to limit the household's share of ongoing rent to not more  
8 than 40 percent of the household's income, (b) for a low-income  
9 household, a shallow subsidy would be provided in the amount  
10 necessary to limit the household's share of ongoing rent to not more  
11 than 40 percent of the household's income, provided, however, that  
12 the amount of any such subsidy would not exceed \$800 per month,  
13 and (c) for a moderate-income household, assistance in the form of  
14 a flat monthly grant of \$250 would be provided to the household if  
15 the household pays more than 50 percent of the household's income  
16 as ongoing rent.

17 The revisions to the "Homeless Prevention Program Regulations"  
18 would also provide that, during the course of the payment period, if  
19 the department is notified by either the landlord or the program  
20 participant that a person or household has begun to experience  
21 difficulty paying rent as a result of reasons beyond the household's  
22 control, the household's income would be reevaluated in light of the  
23 changed conditions, and the person or household would be placed in  
24 a different assistance tier, if necessary, to prevent eviction. Finally,  
25 these regulatory revisions would also provide that, during the  
26 course of the payment period, a participant household would certify  
27 the household's current income and family situation once every  
28 three months, using a one-page form to be developed by the  
29 department, including any necessary attachments. Beginning the  
30 month following receipt of a certification, the department would  
31 increase or decrease the amount of subsidy provided to the  
32 household in accordance with the subsidy category applicable to the  
33 most recent reported income, provided that limited non-recurring  
34 short term increases in income would not require a subsidy  
35 adjustment.

36 At least 30 days prior to the expiration of the covered period, the  
37 department would be required to implement a comprehensive public  
38 information plan to ensure that eligible tenants are aware of the  
39 assistance provided by the program. In addition, the department  
40 would prepare a form notice describing the program and distribute  
41 the notice to all landlords for inclusion with any notice or complaint  
42 sent to a tenant related to an eviction for nonpayment of rent. Prior  
43 to the end of covered period, the landlord would be required to post  
44 a written notice in a conspicuous location within the common area  
45 of a multiple dwelling highlighting the potential availability of  
46 rental assistance from program and other governmental assistance  
47 programs included in the department's form notice.

1 A program application would be required to state the total  
2 amount of rent due from the landlord's residential tenants  
3 established in the corresponding leases, the amount paid by the  
4 tenants or third parties, if any, the amount unpaid, the amount of  
5 security deposit funding that the landlord's tenants have applied  
6 against rent, and any other information required by the department  
7 for determining financial need.

8 An application would include a certification by the tenant as to  
9 the number of occupants of the unit, the tenant household's income,  
10 a brief statement or by the tenant explaining how the pandemic  
11 affected the tenant's ability to pay rent, and any other information  
12 required by the funding sources from which the program payments  
13 will be made.

14 Assistance as is needed would be provided, and extended in  
15 monthly increments, as necessary in order for the application  
16 process, including any administrative appeals, to be completed and  
17 a final determination made with regard to eligibility.

18 Within 30 days following enactment, the bill would require the  
19 department to establish an "Office of Eviction Prevention," which  
20 would be responsible for: (1) the identification of all federal, State,  
21 local and other sources of financial assistance that could be used to  
22 prevent the eviction of residential tenants; (2) becoming  
23 knowledgeable with regard to the application process for each such  
24 program; and (3) identifying, and proposing remedies for, the gaps  
25 in the overall assistance system. This office would be responsible  
26 for the compilation, publication, and ongoing update of this  
27 information, and for identifying and training at least one non-profit,  
28 community-based organization in each county with regard to the  
29 availability of and means of accessing such financial assistance by  
30 at-risk tenants.

31 The bill would also adjust the provisions of P.L.2020, c.1, which  
32 enhanced the Governor's powers to prevent evictions during times  
33 of a public health emergency or state of emergency. The  
34 adjustments provided by the bill would make these enhanced  
35 powers applicable only to the public health emergency declared in  
36 response to the COVID-19 pandemic. The bill would require any  
37 executive order declared to restrict evictions pursuant to P.L.2020,  
38 c.1 to expire at the end of the covered period, unless there is  
39 substantial evidence that hospitalizations and deaths due to the  
40 COVID-19 pandemic which triggered the initial issuance of the  
41 order are likely to recur or substantially worsen if an extension is  
42 not ordered.

43 Finally, the bill would appropriate from the funds provided to the  
44 State by the United States government for the purpose of providing  
45 relief to tenants affected in any way by the COVID-19 pandemic:  
46 for the "Eviction and Homelessness Prevention Program" the sum  
47 of \$750,000,000; for the Office of Eviction Prevention the sum of  
48 \$5,000,000. The bill also authorizes the department to use up to

**A5685** TIMBERLAKE, WIMBERLY

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1 \$20,000,000 for the purpose of funding those actions needed to  
2 effectively implement and administer the Eviction and  
3 Homelessness Prevention Program, \$2,000,000 million of which  
4 would be provided to nonprofit organizations for education and  
5 outreach regarding this program. Additional federal funding for  
6 emergency rental assistance related to the COVID-19 pandemic  
7 would be appropriated to the foregoing programs as it becomes  
8 available.

# ASSEMBLY HOUSING COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 5685**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 22, 2021

As amended, this bill would provide financial relief to certain residential landlords and tenants in response to the COVID-19 pandemic.

Specifically, the bill would protect very low-, low-, moderate-, and middle-income households from residential evictions based upon nonpayment or habitual late payment of rent, or a failure to pay a rent increase, that accrued during the covered period, which began on March 1, 2020, and would last until the end of August, 2021. However, for certain middle-income tenants, eviction protections would last until November 15, 2021. For certain very-low, low-, and moderate-income tenants, eviction protections would last until the end of 2021. The bill establishes definitions for very low-income, low-income, moderate-income, and middle-income households as those with incomes of 30 percent or less than, 50 percent or less than, between 50 and 80 percent of, and 80 percent to 120 percent of the area median income, respectively. The bill would require that payments made by a tenant after the covered period ends would be credited first to the current month's rental obligation, and any balance would be credited to any arrearage owed by the tenant. The bill provides that amount of rent due to a landlord during the covered period would be considered civil debt and could be pursued as a money judgment.

The bill provides that any amount of unpaid rent due either prior to the start of the covered period or after the covered period ends may be pursued in the manner allowed by law for any other landlord-tenant action for rent due outside of the covered period. Eviction protections in the bill would continue to apply to very low-, low-, and moderate-income household tenants through the end of 2021, and through November 15, 2021 for a middle-income household, if the tenant household certifies, under penalty of perjury, (1) the amount of the household's income, (2) that the household was unable to pay rent due to circumstances arising from the pandemic, and (3) that the household has applied for certain rental assistance programs. These certifications would be made on a form provided by the Department of Community Affairs ("department"). When completed, the tenant would provide a

copy to the landlord, and to the court if facing a pending eviction action.

The bill directs the Administrative Director of the Courts to provide information on tenant protections, rental assistance programs, and the necessary income and COVID-19 impact attestations to obtain assistance to any residential tenant who is party to a landlord tenant dispute for nonpayment of rent.

The bill would require that all pending eviction actions alleging nonpayment, habitual late payment, or failure to accept an increase of residential rent that accrued during the covered period shall be dismissed upon certification that the tenant is very low-, low-, moderate-, or middle-income and that the reason for filing was nonpayment or habitual late payment of rent, or failure to pay a rent increase, during the covered period.

As a condition of receiving certain rental assistance, the landlord would be prohibited from imposing late fees for residential rent payments during the period when the assistance is provided.

The bill would prohibit a landlord from furnishing information about the nonpayment or late payment of rent, or failure to pay a rent increase, which accrued during the covered period, or other court filings or proceedings related to non-payment or late payment of rent which accrued during the covered period, directly to another residential landlord, or to a debt collection or credit reporting agency. This restriction would not apply to a tenant's rent payments that remain due as the result of a payment missed prior to March 1, 2020, limit the ability of a landlord to share information with the landlord's attorney or property management company, or notice the tenant in compliance with the Anti-Eviction Act.

If the action is conducted as a result of any record or information reflecting a tenant's non-payment or late payment of rent, or a related court filing, during the covered period, the bill would prohibit a landlord from refusing to rent to a prospective residential tenant, or placing, or disseminating a tenant's information for the purpose of placing, a tenant on a list for the use of other landlords for any purpose.

The bill would authorize the Attorney General, in response to a complaint from a tenant, or on the Attorney General's independent initiative, to bring an action alleging a landlord has violated the bill's restrictions on nonpayment information dissemination. Regarding a first violation, the court would provide the landlord with an opportunity to correct the violation prior to imposing a penalty. Following the provision of this opportunity to correct any first violation, upon a finding that non-compliance with this subsection has occurred, the bill would authorize a court of competent jurisdiction to:

- order the non-compliant landlord to retract the report of debt or court filing data;

- impose a fine on the non-compliant landlord, not to exceed \$500 for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation;
- order the non-compliant landlord to pay the tenant's reasonable counsel fee;
- provide a free copy of the order immediately upon the request of the tenant;
- order the non-compliant landlord to take such steps as are necessary, within 30 days of the order, to rehabilitate the credit record of the tenant; and
- if the tenant is able to show actual damages that have resulted from this violation, order the non-compliant landlord to pay an award of damages to the tenant not to exceed 25 percent of the debt attempted to be collected or reported by the non-complaint landlord to the collection or credit reporting agency, bureau, or data collection facility, with a minimum award of \$350.

A landlord who has furnished rental payment data to another landlord, collection or credit reporting agency related to the non-payment of rent during the covered period, but before the enactment of the bill would not be subject to these penalty provisions, except for any order to retract the report.

The bill would direct the Commissioner of Community Affairs ("commissioner") to establish an "Eviction Prevention Program" to provide residential rental relief to residents who struggle to pay rent because of financial hardship directly or indirectly incurred as a result of the COVID-19 pandemic. The program would be open to accepting applications for assistance no later than the end of August, 2021. The commissioner would administer the program to provide for the following: (1) the program would be a supplement to the COVID-19 Emergency Rental Assistance Program Phase II (CVERAP II) program opened by the department on March 22, 2021, (2) a household would be eligible to participate in the program if, for reasons of pandemic-related hardship, the household is unable to make residential rental payments which are due and owing pursuant to a valid and enforceable oral or written lease, stipulation of settlement, judgment, order or other type of legally binding agreement, (3) a household would be eligible for assistance under this program regardless of whether the household has been served with a summons and complaint for eviction, (4) a household would be eligible for assistance if their annualized current income is no more than 80 percent of the area median income; however, the commissioner may establish funding priorities to benefit very low- and low-income households, (5) a household would be eligible for assistance under this program although it may be unlikely for the household to have the ability to pay shelter costs after the period of assistance has ended, (6) a household would be permitted to use assistance to pay current rent, accrued rent, and future rent, as determined by the department, and (7)

the department would award grants for periods of up to two years or rent, depending upon the person's or household's particular circumstances and available funding. The department would provide assistance along a continuum based upon the income level of the tenant household, and would include deep subsidies, shallow subsidies, and flat amounts. The bill would authorize these grants be renewed to prevent eviction or homelessness. The commissioner would award grants for ongoing rent in accordance with the following guidelines and principles: (a) for a very low-income household, a deep subsidy may be provided in the amount necessary to limit the household's share of ongoing rent to not more than 30 percent of the household's income, (b) for a low-income household, a shallow subsidy may be provided in the amount necessary to limit the household's share of ongoing rent to not more than 30 percent of the household's income, provided, however, that the amount of any such subsidy would not exceed \$800 per month, and (c) for a moderate-income household, assistance in the form of a subsidy sufficient to limit the household's share of ongoing rent to 30 percent or less of the household's income, provided the subsidy does not exceed \$500 per month.

Finally, to qualify for rental assistance through the program, households would be required to demonstrate that someone in the household: (a) qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship, as a direct or indirect consequence of the pandemic; (b) demonstrates a risk of experiencing homelessness or housing instability; (c) falls within a household income threshold that establishes eligibility for rental assistance under the program; (d) has a lack of assets and savings to pay rent arrears or current and future rent; (e) is a State resident; and (f) is obligated to pay rent on a residential dwelling.

During the course of the payment period, if the department is notified by either the landlord or the program participant that a person or household has begun to experience difficulty paying rent due to pandemic-related hardships, the household's income would be reevaluated in light of the changed conditions, and the person or household would be placed in a different assistance tier, if necessary, to prevent eviction. The program would require that, during the course of the payment period, a participant household would certify the household's current income and family situation once every six months using a brief form to be developed by the department, including any necessary attachments. Beginning the month following receipt of a certification, the department would increase or decrease the amount of subsidy provided to the household in accordance with the subsidy category applicable to the most recent reported income, provided that limited non-recurring short term increases in income would not require a subsidy adjustment. Finally, during the payment

period, if a participating tenant experiences conditions that violate the implied warranty of habitability, the tenant would be authorized to certify those conditions to the department in writing. Based on this certification, the department would have an inspection conducted on the dwelling. Upon confirmation, and after providing the landlord an opportunity to cure, the department would consider whether and in what amount rent may be withheld.

No later than August 31, 2021, the department would be required to implement a comprehensive public information plan to ensure that eligible tenants are aware of the assistance provided by the program, and would provide such information in languages including English and Spanish. In addition, the department would prepare a form notice, in languages including English and Spanish, describing the program and distribute the notice to landlords for inclusion with any notice or complaint sent to a tenant related to an eviction for nonpayment of rent. Prior to the end of covered period, the landlord would be required to post a written notice in a conspicuous location within the common area of a multiple dwelling.

A program application would be required to state the monthly rent as established in the lease, the amount paid by the tenant or third parties, if any, the amount unpaid, the amount of security deposit funding that the tenant has applied against rent, and any other information required by the department for determining financial need.

An application would include a certification by the tenant as to the number of occupants of the unit, the tenant household's income, a brief statement or by the tenant explaining how the pandemic affected the tenant's ability to pay rent, and any other information required by the funding sources from which the program payments will be made.

Within 60 days following enactment, the bill would require the department to establish an "Office of Eviction Prevention," which would be responsible for: (1) the identification of all federal, State, local and other sources of financial assistance that could be used to prevent the eviction of residential tenants; (2) becoming knowledgeable with regard to the application process for each such program; and (3) identifying, and proposing remedies for, the gaps in the overall assistance system. This office would be responsible for the compilation, publication, and ongoing update of this information, and for working with at least one non-profit, community-based organization in each county to enhance public awareness of the availability of and means of accessing such financial assistance by at-risk tenants.

The bill would also adjust the provisions of P.L.2020, c.1, which enhanced the Governor's powers to prevent evictions during times of a public health emergency or state of emergency, making the provisions only applicable to the COVID-19 pandemic. The bill would further require any restrictions on evictions established by Executive Order 106 of 2020 to expire on either August 31, November 15, or December

31, on a tenant's income level and certification. Restrictions on foreclosures established by the same executive order would expire on November 15, 2021.

Finally, the bill would appropriate from the funds provided to the State by the United States government for the purpose of providing relief to tenants affected in any way by the COVID-19 pandemic: for the "Eviction Prevention Program" the sum of \$750,000,000; for the Office of Eviction Prevention the sum of \$5,000,000. The bill directs that, of the monies appropriated, the department would use \$500,000,000 as rent assistance for very-low, low-, moderate-, and middle-income tenants, and the remainder for utility assistance. The bill also authorizes the department to use up to 2.5 percent of the appropriated monies for the purpose of funding those actions needed to effectively implement and administer the Eviction Prevention Program, \$2,000,000 million of which would be provided to nonprofit organizations for education and outreach regarding this program.

#### COMMITTEE AMENDMENTS

The committee amendments to the bill would accomplish the following:

- Define the term "area median income" and clarify the definitions of "assistance" and "household income";
- Add the failure to pay a rent increase as a situation, along with nonpayment and habitual late rent payment, in which tenant is protected from eviction in the bill;
- Provide that the eviction protections in the bill would continue until August 31, 2021, November 15, 2021, or December 31, 2021, depending on the circumstances of the tenant;
- Change mechanism for providing eviction protections following the covered period so that very low-, low-, and moderate-income household tenants have such protections through the end of 2021, or through November 15 for middle-income tenants, if the tenant certifies (1) the amount of income, (2) an inability to pay rent due to circumstances arising from the pandemic, and (3) that the tenant has applied for certain rental assistance programs;
- Permit an action by a landlord against a residential tenant to recover unpaid rent accrued during the covered period to be commenced in the Superior Court, Special Civil Part, regardless of the amount in controversy, and allow the Administrative Director of the Courts may take any administrative action necessary to provide a process for filing these actions in the court.
- Remove provisions requiring tenants to pay a percentage of covered period rent and the ability to benefit from eviction protections;

- Require the Administrative Director of the Courts to provide information on tenant protections, rental assistance programs, and the necessary income and COVID-19 impact attestations to obtain assistance to any residential tenant who is party to a landlord tenant dispute for nonpayment of rent;
- If a case is dismissed and the landlord is required to subsequently file against the same tenant, allow the landlord to request that the case be reinstated with the court;
- As a condition of receiving certain rental assistance, prohibited landlords from imposing late fees for residential rent payments during the period when the assistance is provided;
- Require the “Eviction Prevention Program” established by the bill to supplement the COVID-19 Emergency Rental Assistance Program Phase II (CVERAP II) program opened by the department on March 22, 2021; instead of adjusting the existing “Homelessness Prevention Program”;
- Require the program to be open to accepting applications for assistance no later than the end of August, 2021;
- Clarify that assistance through the program may be used to pay various types of rent, as determined by the department;
- Clarify the criteria for a household to qualify for the program;
- Change the available form of program assistance to a subsidy sufficient to limit the household’s share of ongoing rent to 30 percent or less of the household’s income, depending on income level, and make other adjustments to how relief is awarded through the program;
- Remove express reference to conditions beyond the household’s control as a determinant of program eligibility;
- Provide that, during the program payment period, if a participating tenant experiences conditions that implied warranty of habitability, the tenant would be authorized to certify those conditions to the department, and, upon confirmation that the violation exists and notice to the landlord, the department would consider whether and in what amount rent may be withheld;
- Clarify details of the public information to be provided by the department on the program;
- Require any restrictions on evictions established by Executive Order 106 of 2020 to expire on either August 31, November 15, or December 31, depending on a tenant’s income level and certification;
- Of the monies appropriated in the bill, require the department to use \$500,000,000 as rent assistance for very-low, low-, moderate-, and middle-income tenants, and the remainder for utility assistance;

- Permit DCA to use up to 2.5 percent of the amounts appropriated by the bill for Eviction Prevention Program administration;
- Remove a provision regarding the use of additional federal funding; and
- Make technical changes to the bill.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 5685**  
**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

DATED: MAY 20, 2021

**SUMMARY**

- Synopsis:** Provides financial relief to certain landlords and tenants in response to COVID-19 pandemic; and making appropriations.
- Type of Impact:** Potential increase in State expenditures and revenues. Potential increase in local revenues.
- Agencies Affected:** Department of Community Affairs, Attorney General, The Judiciary, and local housing authorities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Unpaid Rent from March 9, 2020 to August 31, 2021</u></b>
<b>Potential State Cost Increase</b>	Indeterminate
<b>Potential State Revenue Increase</b>	Indeterminate
<b>Potential Local Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill may potentially (1) increase State expenditures attributable to increased administrative costs for the Department of Community Affairs (DCA) and the Attorney General; (2) increase State revenues due to a court’s ability to impose a fine on a non-compliant landlord; and (3) increase local revenues attributable to certain local units serving as a local housing authority, and thereby a landlord eligible for assistance from funding provided by federal funds appropriated under the bill.
- The bill requires the DCA to rename the current “Homelessness Prevention Program” as the “Eviction and Homelessness Prevention Program,” revise the program regulations, prepare guidance covering the amount and duration of the program grants, and process program applications. The bill also requires the DCA to, at least 30 days prior to the expiration of the covered period, implement a comprehensive public information plan and a form notice to ensure that eligible tenants are aware of the assistance provided by the program. Within 30 days following enactment, the bill would also require the DCA to establish an “Office of Eviction Prevention.”
- The bill would authorize the Attorney General, in response to a complaint from a tenant, or on the Attorney General’s independent initiative, to bring an action against a landlord who has

allegedly violated the bill's restrictions on nonpayment information dissemination. Following the opportunity to correct any first violation, and upon a finding that non-compliance has occurred, the bill would authorize a court to impose a fine on a non-compliant landlord, not to exceed \$500 for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation, which would lead to an indeterminate increase in State revenues.

- Additionally, according to information on the federal Department of Housing and Urban Development website, approximately 82 municipalities in the State serve as the local housing authority. Under the bill, local housing authorities collecting rental payments would be eligible to receive assistance from federal funds appropriated under the bill. The bill would appropriate at least \$755 million in federal funds to effectuate the provisions of the bill, but it is unclear how much of these monies may be used to reimburse the DCA and Attorney General for administrative costs. Finally, the OLS is unable to estimate how much unpaid rent is owed to local housing authorities and eligible for compensation under the program.

## **BILL DESCRIPTION**

This bill would provide financial relief to certain residential landlords and tenants in response to the COVID-19 pandemic.

Specifically, the bill would protect low-income, moderate-income, and middle-income households from residential evictions based upon nonpayment or habitual late payment of rent that accrued during the covered period, which began on March 1, 2020, and would last until the end of July 2021. The bill establishes definitions for very low-income, low-income, moderate-income, and middle-income households as those with incomes of 30 percent or less than, 50 percent or less than, between 50 and 80 percent of, and 80 percent to 120 percent of the area median income, respectively. The bill would require that payments made by a tenant after the covered period ends would be credited first to the current month's rental obligation, and any balance would be credited to any arrearage owed by the tenant. The bill provides that amount of rent due to a landlord during the covered period would be considered civil debt and could be pursued as a money judgment.

The bill provides that any amount of unpaid rent due either prior to the start of the covered period or after the covered period ends may be pursued in the manner allowed by law for any other landlord-tenant action for rent due outside of the covered period. However, the bill would provide low-income household tenants with continued protections from evictions for the month of August 2021 if they pay 50 percent of their rent for the month of August 2021. The remaining 50 percent of the low-income tenant's rent due for that month would be considered civil debt. Additionally, the bill would provide moderate-income household tenants with continued protections from evictions for the month of August 2021 if they pay 75 percent of their rent for the month of August 2021. The remaining 25 percent of rent due for that month would be considered civil debt. The bill would also prohibit a landlord from imposing any late fees for rent payments not made during the covered period.

The bill would require that all pending landlord-tenant actions alleging nonpayment or habitual late payment of rent that accrued during the covered period shall be stayed and shall be dismissed upon certification that the tenant is low-income, moderate-income, or middle-income and that the reason for filing was nonpayment or habitual late payment of rent during the covered period. The bill would require the Superior Court to return or credit to the landlord all fees paid by the landlord to file such cases.

The bill would authorize the Attorney General, in response to a complaint from a tenant, or on the Attorney General's independent initiative, to bring an action against a landlord who has allegedly violated the bill's restrictions on nonpayment information dissemination. The bill would authorize a court to impose a fine on the non-compliant landlord, not to exceed \$500 for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation.

The bill would direct the DCA to rename the current "Homelessness Prevention Program" as the "Eviction and Homelessness Prevention Program" and provide revisions to the Homeless Prevention Program Regulations. At least 30 days prior to the expiration of the covered period, the department would be required to implement a comprehensive public information plan to ensure that eligible tenants are aware of the assistance provided by the program.

Within 30 days following enactment, the bill would require the department to establish an "Office of Eviction Prevention," which would be responsible for: (1) the identification of all federal, State, local and other sources of financial assistance that could be used to prevent the eviction of residential tenants; (2) becoming knowledgeable with regard to the application process for each such program; and (3) identifying, and proposing remedies for, the gaps in the overall assistance system.

Finally, the bill would appropriate from the funds provided to the State by the United States government for the purpose of providing relief to tenants affected in any way by the COVID-19 pandemic: for the Eviction and Homelessness Prevention Program in the sum of \$750 million and for the Office of Eviction Prevention in the sum of \$5 million. The bill also authorizes the department to use up to \$20 million for the purpose of funding those actions needed to effectively implement and administer the Eviction and Homelessness Prevention Program, \$2 million of which would be provided to nonprofit organizations for education and outreach regarding this program. Additional federal funding for emergency rental assistance related to the COVID-19 pandemic would be appropriated to the foregoing programs as it becomes available.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that the bill may potentially (1) increase State expenditures attributable to increased administrative costs for the DCA and the Attorney General; (2) increase State revenues due to a court's ability to impose a fine on a non-compliant landlord; and (3) increase local revenues attributable to certain local units serving as a local housing authority, and thereby a landlord eligible for assistance from funding provided by federal funds appropriated under the bill.

The bill requires the DCA to rename the current "Homelessness Prevention Program" as the "Eviction and Homelessness Prevention Program," revise the program regulations, prepare guidance covering the amount and duration of the program grants, and process program applications. The bill also requires the DCA to, at least 30 days prior to the expiration of the covered period, implement a comprehensive public information plan and a form notice to ensure that eligible tenants are aware of the assistance provided by the program. Within 30 days following enactment, the bill would also require the DCA to establish an "Office of Eviction Prevention."

The bill would authorize the Attorney General, in response to a complaint from a tenant, or on the Attorney General's independent initiative, to bring an action against a landlord who has allegedly violated the bill's restrictions on nonpayment information dissemination. Following the opportunity to correct any first violation, and upon a finding that non-compliance has occurred, the bill would authorize a court to impose a fine on a non-compliant landlord, not to exceed \$500 for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation, which would lead to an indeterminate increase in State revenues.

Additionally, according to information on the federal Department of Housing and Urban Development website, approximately 82 municipalities in the State serve as the local housing authority. Under the bill, local housing authorities collecting rental payments would be eligible to receive assistance from federal funds appropriated under the bill. The bill would appropriate at least \$755 million in federal funds to effectuate the provisions of the bill, but it is unclear how much of these monies may be used to reimburse the DCA and Attorney General for administrative costs. Finally, the OLS is unable to estimate how much unpaid rent is owed to local housing authorities and eligible for compensation under the program.

*Section: Local Government*  
*Analyst: Benjamin A. Levy*  
*Assistant 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.).

# LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

**ASSEMBLY, No. 5685**

## **STATE OF NEW JERSEY 219th LEGISLATURE**

DATED: JUNE 28, 2021

### SUMMARY

- Synopsis:** Provides financial relief to certain landlords and tenants in response to COVID-19 pandemic, adjusts certain court fees; and makes appropriations.
- Type of Impact:** Potential increase in State expenditures and revenues. Potential increase in local revenues.
- Agencies Affected:** Department of Community Affairs, Attorney General, the Judiciary, and local housing authorities.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Unpaid Rent from March 9, 2020 to August 31, 2021 or December 31, 2021</u></b>
<b>Potential State Cost Increase</b>	Indeterminate
<b>Potential State Revenue Increase</b>	Indeterminate
<b>Potential Local Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill may potentially: (1) increase State expenditures attributable to increased administrative costs for the Department of Community Affairs (DCA), the Attorney General, and the Judiciary; (2) increase State revenues due to a court’s ability to impose a fine on a non-compliant landlord and a \$7 Special Civil Part court fee; and (3) increase local revenues attributable to certain local units serving as a local housing authority, and thereby a landlord eligible for assistance from funding provided by federal funds appropriated under the bill.
- The bill requires the DCA to establish an “Eviction Prevention program” to supplement the COVID-19 Emergency Rental Assistance Program Phase II (CVERAP II) program opened by the department on March 22, 2021, publish regulatory guidance to further the purpose of the program, and award grants to eligible households.

- The bill would authorize the Attorney General, in response to a complaint from a tenant, or on the Attorney General's independent initiative, to bring an action against a landlord who has allegedly violated the bill's restrictions on nonpayment information dissemination. Following the opportunity to correct any first violation, and upon a finding that non-compliance has occurred, the bill would authorize a court to impose a fine on a non-compliant landlord, not to exceed \$500 for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation, which would lead to an indeterminate increase in State revenues.
- The bill also requires the Administrative Director of the Courts to provide information on tenant protections, rental assistance programs, and the necessary income and COVID-19 impact attestations to obtain assistance to any residential tenant who is party to a landlord tenant dispute for nonpayment of rent. The courts could limit these costs through the bill's establishment of a the Special Civil Part court fee for serving or executing any process, writ, order, execution, notice, or warrant as a \$7.00 fee.
- Additionally, according to information on the federal Department of Housing and Urban Development website, approximately 82 municipalities in the State serve as the local housing authority. Under the bill, local housing authorities collecting rental payments would be eligible to receive assistance from federal funds appropriated under the bill. The bill would appropriate at least \$755 million in federal funds to effectuate the provisions of the bill.
- Finally, the OLS is unable to estimate how much unpaid rent is owed to local housing authorities and eligible for compensation under the program. Additionally, the ability for the DCA to withhold rental payments due to a violation if implied warrant of habitability could delay local revenues if the local housing authorities violate this obligation.

## **BILL DESCRIPTION**

This bill would provide financial relief to certain residential landlords and tenants in response to the COVID-19 pandemic, and alter certain court fees.

Specifically, the bill would protect very low-, low-, moderate-, and middle-income households from residential evictions based upon nonpayment or habitual late payment of rent, or a failure to pay a rent increase, that accrued during the covered period, which began on March 1, 2020, and would last until the end of August, 2021. However, for certain very-low, low-, and moderate-income tenants, eviction protections would last until the end of 2021. The bill establishes definitions for very low-income, low-income, moderate-income, and middle-income households as those with incomes of 30 percent or less than, 50 percent or less than, between 50 and 80 percent of, and 80 percent to 120 percent of the area median income, respectively. The bill would require that payments made by a tenant after the covered period ends would be credited first to the current month's rental obligation, and any balance would be credited to any arrearage owed by the tenant. The bill provides that amount of rent due to a landlord during the covered period would be considered civil debt and could be pursued as a money judgment.

The bill provides that any amount of unpaid rent due either prior to the start of the covered period or after the covered period ends may be pursued in the manner allowed by law for any other landlord-tenant action for rent due outside of the covered period. Eviction protections in the bill would continue to apply to very low-, low-, and moderate-income household tenants through the end of 2021 if the tenant household certifies, under penalty of perjury, (1) the amount of the

household's income, (2) that the household was unable to pay rent due to circumstances arising from the pandemic, and (3) that the household has applied for certain rental assistance programs. These certifications would be made on a form provided by the DCA. When completed, the tenant would provide a copy to the landlord, and to the court if facing a pending eviction action.

The bill directs the Administrative Director of the Courts to provide information on tenant protections, rental assistance programs, and the necessary income and COVID-19 impact attestations to obtain assistance to any residential tenant who is party to a landlord tenant dispute for nonpayment of rent.

The bill would require that all pending eviction actions alleging nonpayment, habitual late payment, or failure to accept an increase of residential rent that accrued during the covered period shall be dismissed upon certification that the tenant is very low-, low-, moderate-, or middle-income and that the reason for filing was nonpayment or habitual late payment of rent, or failure to pay a rent increase, during the covered period.

As a condition of receiving certain rental assistance, the landlord would be prohibited from imposing late fees for residential rent payments during the period when the assistance is provided.

The bill would prohibit a landlord from furnishing information about the nonpayment or late payment of rent, or failure to pay a rent increase, which accrued during the covered period, or other court filings or proceedings related to non-payment or late payment of rent which accrued during the covered period, directly to another residential landlord, or to a debt collection or credit reporting agency. This restriction would not apply to a tenant's rent payments that remain due as the result of a payment missed prior to March 1, 2020, limit the ability of a landlord to share information with the landlord's attorney or property management company, or notice the tenant in compliance with the Anti-Eviction Act.

If the action is conducted as a result of any record or information reflecting a tenant's non-payment or late payment of rent, or a related court filing, during the covered period, the bill would prohibit a landlord from refusing to rent to a prospective residential tenant, or placing, or disseminating a tenant's information for the purpose of placing, a tenant on a list for the use of other landlords for any purpose.

The bill would authorize the Attorney General, in response to a complaint from a tenant, or on the Attorney General's independent initiative, to bring an action alleging a landlord has violated the bill's restrictions on nonpayment information dissemination. Regarding a first violation, the court would provide the landlord with an opportunity to correct the violation prior to imposing a penalty. Following the provision of this opportunity to correct any first violation, upon a finding that non-compliance with this subsection has occurred, the bill would authorize a court of competent jurisdiction to:

- order the non-compliant landlord to retract the report of debt or court filing data;
- impose a fine on the non-compliant landlord, not to exceed \$500 for a first violation, \$1,000 for a second violation, and \$2,500 for each subsequent violation;
- order the non-compliant landlord to pay the tenant's reasonable counsel fee;
- provide a free copy of the order immediately upon the request of the tenant;
- order the non-compliant landlord to take such steps as are necessary, within 30 days of the order, to rehabilitate the credit record of the tenant; and
- if the tenant is able to show actual damages that have resulted from this violation, order the non-compliant landlord to pay an award of damages to the tenant not to exceed 25 percent of the debt attempted to be collected or reported by the non-complaint landlord to the collection or credit reporting agency, bureau, or data collection facility, with a minimum award of \$350.

A landlord who has furnished rental payment data to another landlord, collection or credit reporting agency related to the non-payment of rent during the covered period, but before the

enactment of the bill would not be subject to these penalty provisions, except for any order to retract the report.

The bill would direct the Commissioner of Community Affairs to establish an “Eviction Prevention Program” to provide residential rental relief to residents who struggle to pay rent because of financial hardship directly or indirectly incurred as a result of the COVID-19 pandemic. The program would be open to accepting applications for assistance no later than the end of August, 2021. The commissioner would administer the program to provide for the following: (1) the program would be a supplement to the COVID-19 Emergency Rental Assistance Program Phase II (CVERAP II) program opened by the department on March 22, 2021, (2) a household would be eligible to participate in the program if, for reasons of pandemic-related hardship, the household is unable to make residential rental payments which are due and owing pursuant to a valid and enforceable oral or written lease, stipulation of settlement, judgment, order or other type of legally binding agreement, (3) a household would be eligible for assistance under this program regardless of whether the household has been served with a summons and complaint for eviction, (4) a household would be eligible for assistance if their annualized current income is no more than 80 percent of the area median income; however, the commissioner may establish funding priorities to benefit very low- and low-income households, (5) a household would be eligible for assistance under this program although it may be unlikely for the household to have the ability to pay shelter costs after the period of assistance has ended, (6) a household would be permitted to use assistance to pay current rent, accrued rent, and future rent, as determined by the department, and (7) the department would award grants for periods of up to two years or rent, depending upon the person’s or household’s particular circumstances and available funding. The department would provide assistance along a continuum based upon the income level of the tenant household, and would include deep subsidies, shallow subsidies, and flat amounts. The bill would authorize these grants be renewed to prevent eviction or homelessness. The commissioner would award grants for ongoing rent in accordance with the following guidelines and principles: (a) for a very low-income household, a deep subsidy may be provided in the amount necessary to limit the household’s share of ongoing rent to not more than 30 percent of the household’s income, (b) for a low-income household, a shallow subsidy may be provided in the amount necessary to limit the household’s share of ongoing rent to not more than 30 percent of the household’s income, provided, however, that the amount of any such subsidy would not exceed \$800 per month, and (c) for a moderate-income household, assistance in the form of a subsidy sufficient to limit the household’s share of ongoing rent to 30 percent or less of the household’s income, provided the subsidy does not exceed \$500 per month.

Finally, to qualify for rental assistance through the program, households would be required to demonstrate that someone in the household: (a) qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship, as a direct or indirect consequence of the pandemic; (b) demonstrates a risk of experiencing homelessness or housing instability; (c) falls within a household income threshold that establishes eligibility for rental assistance under the program; (d) has a lack of assets and savings to pay rent arrears or current and future rent; (e) is a State resident; and (f) is obligated to pay rent on a residential dwelling.

During the course of the payment period, if the department is notified by either the landlord or the program participant that a person or household has begun to experience difficulty paying rent due to pandemic-related hardships, the household’s income would be reevaluated in light of the changed conditions, and the person or household would be placed in a different assistance tier, if necessary, to prevent eviction. The program would require that, during the course of the payment period, a participant household would certify the household’s current income and family situation once every six months using a brief form to be developed by the department, including any

necessary attachments. Beginning the month following receipt of a certification, the department would increase or decrease the amount of subsidy provided to the household in accordance with the subsidy category applicable to the most recent reported income, provided that limited non-recurring short term increases in income would not require a subsidy adjustment. Finally, during the payment period, if a participating tenant experiences conditions that violate the implied warranty of habitability, the tenant would be authorized to certify those conditions to the department in writing. Based on this certification, the department would have an inspection conducted on the dwelling. Upon confirmation, and after providing the landlord an opportunity to cure, the department would consider whether and in what amount rent may be withheld.

No later than August 31, 2021, the department would be required to implement a comprehensive public information plan to ensure that eligible tenants are aware of the assistance provided by the program, and would provide such information in languages including English and Spanish. In addition, the department would prepare a form notice, in languages including English and Spanish, describing the program and distribute the notice to landlords for inclusion with any notice or complaint sent to a tenant related to an eviction for nonpayment of rent. Prior to the end of covered period, the landlord would be required to post a written notice in a conspicuous location within the common area of a multiple dwelling.

A program application would be required to state the monthly rent as established in the lease, the amount paid by the tenant or third parties, if any, the amount unpaid, the amount of security deposit funding that the tenant has applied against rent, and any other information required by the department for determining financial need.

An application would include a certification by the tenant as to the number of occupants of the unit, the tenant household's income, a brief statement or by the tenant explaining how the pandemic affected the tenant's ability to pay rent, and any other information required by the funding sources from which the program payments will be made.

Within 60 days following enactment, the bill would require the department to establish an "Office of Eviction Prevention," which would be responsible for: (1) the identification of all federal, State, local and other sources of financial assistance that could be used to prevent the eviction of residential tenants; (2) becoming knowledgeable with regard to the application process for each such program; and (3) identifying, and proposing remedies for, the gaps in the overall assistance system. This office would be responsible for the compilation, publication, and ongoing update of this information, and for working with at least one non-profit, community-based organization in each county to enhance public awareness of the availability of and means of accessing such financial assistance by at-risk tenants.

The bill would also adjust the provisions of P.L.2020, c.1, which enhanced the Governor's powers to prevent evictions during times of a public health emergency or state of emergency, making the provisions only applicable to the COVID-19 pandemic. The bill would further require any restrictions on evictions established by Executive Order 106 of 2020 to expire on either August 31, or December 31, depending on a tenant's income level and certification. Restrictions on foreclosures established by the same executive order would expire on November 15, 2020.

The bill would also establish the Special Civil Part court fee for serving or executing any process, writ, order, execution, notice, or warrant as a \$7.00 fee.

Finally, the bill would appropriate from the funds provided to the State by the United States government for the purpose of providing relief to tenants affected in any way by the COVID-19 pandemic: for the "Eviction Prevention Program" the sum of \$750,000,000; for the Office of Eviction Prevention the sum of \$5,000,000. The bill directs that, of the monies appropriated, the department would use \$500,000,000 as rent assistance for very-low, low-, moderate-, and middle-income tenants, and the remainder for utility assistance. The bill also authorizes the department to use up to 2.5 percent of the appropriated monies for the purpose of funding those actions needed

to effectively implement and administer the Eviction Prevention Program, \$2,000,000 million of which would be provided to nonprofit organizations for education and outreach regarding this program.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that the bill may potentially: (1) increase State expenditures attributable to increased administrative costs for the DCA, the Attorney General, and the Judiciary; (2) increase State revenues due to a court's ability to impose a fine on a non-compliant landlord and a \$7 Special Civil Part court fee; and (3) increase local revenues attributable to certain local units serving as a local housing authority, and thereby a landlord eligible for assistance from funding provided by federal funds appropriated under the bill.

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The bill also requires the Administrative Director of the Courts to provide information on tenant protections, rental assistance programs, and the necessary income and COVID-19 impact attestations to obtain assistance to any residential tenant who is party to a landlord tenant dispute for nonpayment of rent. The courts could limit these costs through the bill's establishment of a the Special Civil Part court fee for serving or executing any process, writ, order, execution, notice, or warrant as a \$7.00 fee.

Additionally, according to information on the federal Department of Housing and Urban Development website, approximately 82 municipalities in the State serve as the local housing authority. Under the bill, local housing authorities collecting rental payments would be eligible to receive assistance from federal funds appropriated under the bill. The bill would appropriate at least \$755 million in federal funds to effectuate the provisions of the bill.

Finally, the OLS is unable to estimate how much unpaid rent is owed to local housing authorities and eligible for compensation under the program. Additionally, the ability for the DCA to withhold rental payments due to a violation if implied warrant of habitability could delay local revenues if the local housing authorities violate this obligation.

*Section: Local Government*

*Analyst: Benjamin A. Levy  
Assistant 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 Signs Executive Order Updating Evictions Moratorium to Align With Legislation Signed Earlier Today

08/4/2021

**TRENTON** – Governor Phil Murphy today signed Executive Order No. 249, which updates the moratorium on evictions established under [Executive Order No. 106 \(2020\)](#) to be aligned with legislation signed into law earlier today (S-3691). The updated moratorium continues to protect residents most impacted financially by the COVID-19 pandemic.

“Our evictions moratorium has kept families in their homes during the COVID-19 pandemic,” **said Governor Murphy**. “This order updates and maintains the moratorium so that residents still feeling the economic impacts of the pandemic continue to have shelter and can focus on taking care of their families without the threat of losing their homes.”

Executive Order No. 249 acts to update the state’s evictions moratorium to be identical to provisions in S-3691, including the rescinding of certain provisions of Executive Order No. 106 (2020) and aligning expiration dates of other provisions in accordance with the new law.

For a copy of Executive Order No. 249, please click [here](#).

To read more about S-3691, please click [here](#).

# Governor Murphy Signs Sweeping Housing Eviction Prevention and Utility Assistance Bill

08/4/2021

*This press release has been updated with signing statements for S-3691 and A-4463.*

## **DCA Surpasses Milestone of Delivering Over \$100 Million in Federal Emergency Rental Assistance**

**UNION CITY** - Governor Phil Murphy today signed legislation that will provide comprehensive housing eviction prevention and utility assistance for renters who have been financially impacted by the COVID-19 pandemic. The legislation (S-3691) appropriates an additional \$500 million for the COVID-19 Emergency Rental Assistance Program (CVERAP) and \$250 million for utility assistance, both programs administered by the New Jersey Department of Community Affairs (DCA). The bill also mandates new eviction and foreclosure moratorium deadlines and special eviction protections for tenants who were directly impacted by the pandemic. This legislation will ensure that New Jersey's eviction moratorium continues through August for all state residents with household incomes below 120% Area Medium Income (AMI) and through the end of the year for certain households with incomes below 80% AMI. Yesterday's announcement from the Centers for Disease Control and Prevention extending the nationwide moratorium on evictions for 60 days may provide additional protections for certain residents.

The Governor also signed legislation (A-4463) providing additional protections for individuals who were unable to pay rent during the public health emergency by mandating that court records pertaining to their non-payment during this period be kept confidential.

"We have heard the continuing calls for help from New Jerseyans who are struggling to pay their rent and utilities. COVID-19 has put tenants and landlords in a difficult place, and I am pleased to say that more assistance is on the way," **said Governor Murphy**. "This bill is going to direct money to the people and programs that need it most. Housing and access to utilities are fundamental to human health and safety and we want to ensure that as many eligible applicants impacted by the pandemic get the help they need during this challenging time."

"This comprehensive eviction protections bill is the result of some of the best and brightest minds coming together to find practical and realistic solutions for the struggling renters and landlords who have face unprecedented circumstances during this pandemic," **said Lt. Governor Sheila Oliver, who serves as Commissioner of the Department of Community Affairs**. "As DCA Commissioner, I'm aware of the daily struggle that people are facing in finding and keeping housing and our team at DCA is prepared to continue to administer housing and utility assistance to them. I'm in full support of the actions laid out in this bill package to make their lives easier as we financially recover from the pandemic."

"This measure provides a lifeline to people who need it most at a time of real crisis. It will help prevent renters from losing the safety and security of their homes and allow landlords to continue to maintain their properties in a safe and secure way," **said Senate President Steve Sweeney**. "It's real eviction prevention because it backs up housing protections with finances so tenants aren't burdened with debt and landlords aren't forced into bankruptcy. Housing and utilities are essential needs that should be protected as we continue to work to emerge from the most challenging crisis of our lifetime. I want to praise Senator Stack, Senator Ruiz, Senator Rice and Senator Singleton for their productive work with advocates and other public officials to develop this plan. It is a wise use of federal funds to address two of

the most serious threats caused by the pandemic.”

“This past year has been some of the hardest times in most people’s lives. I’ve been desperately trying to help my constituents in Union City and the greater Hudson County since the very beginning of the pandemic, and have heard first hand all that they have gone through,” **said Senator and Union City Mayor Brian Stack**. “We have to recognize that includes many landlords, especially those with only a few tenants, who are also struggling to pay their own bills. Being a public servant is about finding solutions to problems we never thought we would have to face, and ultimately, it is about helping the people of New Jersey when they need it most. That is what we did with this law and I am proud to have been a part of it.”

“The loss of millions of jobs and the resulting economic crisis caused by the pandemic has the potential to trigger an eviction tsunami in the coming months if we do not act now,” **said Assembly sponsors Britnee Timberlake, Benjie Wimberly, Angela McKnight, and Shanique Speight**. “While many tenants have faced economic hardship during the pandemic, landlords have shouldered the financial burden of housing their tenants, maintaining their buildings, paying their mortgages, taxes, and other financial obligations with limited help from the State or federal government and reduced rental income. This new law will provide significant eviction protections to struggling tenants and a steady stream of assistance income to struggling landlords as New Jersey continues to recover from the pandemic.”

“The pandemic sapped the economic resources of many working-class families particularly among communities of color,” **said Frank Argote-Freyre, Chair of the Latino Action Network Foundation**. “It was a once in a century crisis that left families impoverished and unable to pay their rents. This legislation offers families an opportunity to reclaim their lives and stay in their homes. It further cements Governor Murphy’s progressive legacy and his dream of creating a more inclusive New Jersey.”

“The signing of this bill marks an important day for New Jersey’s pandemic recovery. We are thankful to the Legislature and Governor Murphy for their leadership and commitment to providing relief for individuals and families throughout our state,” **said James C. Williams, Director of Racial Justice Policy at the Fair Share Housing Center**. “The COVID-19 pandemic created an unprecedented situation for many New Jerseyans. Black and Latino communities were hit especially hard by the pandemic, and are also disproportionately represented among those currently facing eviction in our state. The \$750 million in assistance, as well as the protections provided by this legislation, will provide critical support to individuals and families across our state. We look forward to working with the administration on the implementation of this bill as well as other housing protections.”

“This historic legislation is a comprehensive approach toward ending New Jersey’s eviction moratorium while providing additional rental assistance and tenant protections,” **said David H. Brogan, Executive Director of the New Jersey Apartment Association**. “It recognizes the struggles of both landlords and tenants, and it puts the necessary tools in the hands of government to help those in need. We strongly support the legislation and look forward to working with the Administration to ensure the viability of New Jersey’s housing stock.”

The eviction prevention bill will gradually phase out the State’s eviction moratorium based on individual renters’ situations while mandating special protections for those who were unable to pay their rent during the period of March 1, 2020 through August 31, 2021, or, for certain tenants, through December 31, 2021. Additionally, the CVERAP program, which was previously aimed at those who were making less than 80 percent of AMI, will expand its scope of eligible applicants by August 31, 2021, to include those making less than 120 percent of AMI.

#### **Additional details on S-3691:**

- Ensures that eviction protection is available for tenants with household incomes below 120 percent AMI who were unable to pay their rent between the covered period of March 1, 2020 and August 31, 2021, and who provide a [self-certification form](#) to their landlords and, when applicable, to the court. Tenants meeting these requirements cannot ever be evicted for any outstanding rent during

the covered period. While tenants who are covered by this special protection may not be evicted, this rent is still due to landlords and landlords may pursue this rent through a money judgment.

- Provides additional eviction preventions for tenants with household incomes below 80 percent AMI, who have applied for state or local rental assistance, and who have experienced an economic impact due to the COVID-19 pandemic. Tenants meeting these requirements who provide a self-certification for to their landlords and, when applicable, to the courts, are protected from eviction prior to December 31, 2021, for unpaid rent accrued from September 1, 2021 through December 31, 2021. This is in addition to protection from eviction for rent accrued during the covered period as described above.
- For the special eviction protections to take effect, the tenant MUST provide the required self-certification form to their landlord and, when applicable, to the courts.
- All New Jersey households with income less than 120 percent AMI may apply for the [COVID-19 Emergency Rental Assistance Program](#).
- Landlords who are receiving rental assistance must waive any late fees accrued by tenants during the special protections period.
- Landlords may not report delayed rent to crediting agencies and they cannot sell the debt.
- Landlords may not disclose non-payment of rent to others and prospective landlords may not deny renting to a person who wasn't able to pay rent during the covered period of March 1, 2020 and August 31, 2021.
- The moratorium on home foreclosures ends on November 15, 2021, for all income levels. This includes landlords facing foreclosure who currently have tenants.

The new funds appropriated through S-3691 bring the total funds allocated to the COVID-19 Emergency Rental Assistance Program and Eviction Prevention Program to more than \$1.2 billion.

The DCA Division of Housing and Community Resources (DHCR) also announced today that it has reached the milestone of delivering more than \$100 million in federal Emergency Rental Assistance Program (ERAP) funds throughout the state with nearly \$131 million in rental relief having been distributed to more than 15,000 households to date. This funding milestone is in addition to the \$91.75 million that DCA distributed to 15,000 households in the first phase of the CVERAP program last year.

U.S. Treasury recently published a report on the Emergency Rental Assistance Program in which it describes DCA's program as a high performer. For the month of June, DCA's program ranked 6th among all state programs in the amount of ERAP funds expended for that month. According to the report, DCA's program is also ranked 8th among all state programs in the total amount of ERAP funds expended to date. The report can be found at: [Emergency Rental Assistance Program | U.S. Department of the Treasury](#).

Click [here](#) to view the signing statement for S-3691.

Click [here](#) to view the signing statement for A-4463.

**GOVERNOR'S STATEMENT UPON SIGNING  
SENATE BILL NO. 3691  
(First Reprint)**

Today I am pleased to sign Senate Bill No. 3691 (First Reprint), which appropriates \$750 million in federal funds made available to the State by the American Rescue Plan Act of 2021 for an Eviction Prevention Program in order to provide critical rental and utility assistance for the many residents of New Jersey who have suffered financial hardship during the Coronavirus disease 2019 ("COVID-19") pandemic. The bill also responsibly winds down the moratoriums on removals pursuant to eviction or foreclosure proceedings established by Executive Order No. 106 (2020) and installs crucial protections for the many renters who have faced struggles over the last 17 months. These protections will help tenants across the State stay in their homes and provide much needed financial support to the countless New Jerseyans who have struggled to pay their rent over the course of the pandemic through no fault of their own.

I commend the bill's sponsors, Senate and Assembly leadership, and tenant and landlord advocates for coming together on this landmark legislation. Senate Bill No. 3691 (First Reprint) prohibits evictions for nonpayment or habitual late payment of rent, or failure to pay a rent increase, that accrued during the "covered period," defined in the bill as the period beginning March 1, 2020 and ending August 31, 2021, for very low-, low-, moderate-, and middle-income households (i.e., collectively, households below 120% of the Area Median Income). It further prohibits evictions for arrearages accrued from the end of the covered period through December 31, 2021 for certain very low-, low-, and moderate-income households (i.e., collectively, households below 80% of the Area Median Income). To be clear, this does not mean that any unpaid rent during that time will be forgiven, as that money is still owed as debt to landlords. But the bill allows anyone who fell behind on their rent during the pandemic to focus first and foremost on paying any upcoming rent due, enabling these tenants to remain in their homes and maintain a measure of stability as they seek rental assistance.

Under the bill, beginning August 31, 2021, any outstanding rent accrued outside of the covered period may be grounds for an eviction action against tenants. This is separate from the effect of yesterday's announcement from the Centers for Disease Control and Prevention extending the nationwide moratorium on evictions for 60 days, which may provide additional protections. In addition, the bill provides additional protections for tenants who are in very low-, low-, or moderate-income households. The bill protects these tenants from being evicted for unpaid rent or failure to pay a rent increase until December 31, 2021, provided they self-certify three things: 1) their income level; 2) that they were unable to pay rent due to circumstances arising from the COVID-19 pandemic; and 3) that they have applied for State, county, or local rental assistance programs for which they are eligible.

The Department of Community Affairs ("DCA") has already been working diligently on the bill's successful implementation. DCA, in collaboration with the Office of Innovation, has developed an online tool that will assist tenants in filling out the self-certification form and identifying whether they meet the income thresholds to qualify for eviction protection and assistance. Using the online tool, tenants will be able to directly transmit their forms to DCA and, if an eviction proceeding has already been filed or if one is subsequently filed, to the courts. The online tool will also help tenants at risk of housing instability apply for additional social services.

In the coming weeks and months, DCA will continue to spearhead collaboration among the relevant parties in order to educate tenants and landlords about the relief available under the new law; provide them with the tools they need to apply for relief and exercise their rights, including through mediation; and provide hands-on assistance and additional services to those who need it. Among other things, DCA and our partner nonprofits must be available to provide direct assistance to those who lack Internet access or have trouble completing the form. DCA will retain outside vendor support to conduct public outreach, staff a call center, continue bi-weekly rental assistance lotteries, provide proactive case management and application review, make benefit payments, and conduct quality assurance and process monitoring.

These functions, which are critical to ensuring that the bill's funding translates into meaningful relief for those who qualify, are extremely resource-intensive and will require administrative funds in excess of 2.5% of overall program costs, the administrative cap contained in the bill. Last week, I submitted a request to the Joint Budget Oversight Committee ("JBOC") for an additional \$37.5 million from the federal Coronavirus State Fiscal Recovery Fund ("SFRF") to fund the difference. I am hopeful that my legislative colleagues who serve on JBOC will swiftly approve this request so that we can begin to fund these critical expenses.

Importantly, the spending plan submitted to JBOC accomplishes many of the goals of Senate Bill No. 3955 (First Reprint), a piece of legislation that passed alongside Senate Bill No. 3691 (First Reprint). Senate Bill No. 3955 (First Reprint) would establish a Landlord Tenant Navigation Program to assist tenants in navigating the rental assistance application process. The navigation program would be funded through the federal Coronavirus Aid, Relief, and Economic Security Act and, if necessary, any other federal funding authorized for COVID-19 relief. I applaud the legislative sponsors of Senate Bill No. 3955 (First Reprint), especially Senator Ruiz and Assemblywoman Timberlake, for recognizing that a housing program of this magnitude demands a robust network of support connecting families most at risk to meaningful assistance, and I look forward to working with them to ensure that we can achieve these goals.

While I fully support the mission of Senate Bill No. 3955 (First Reprint), I am concerned that it could cost as much as \$300 million to administer. The high cost of Senate Bill No. 3955 (First Reprint) is primarily driven by the lack of any income limitations on program participation, and a requirement that DCA coordinate applications for all rental programs, including non-State programs, as well as provide mediation, within a very short timeframe. By way of comparison, my JBOC request seeks \$11 million to accomplish many of the same functions, targeting those with the most need for assistance. For these reasons, I am unable to sign Senate Bill No. 3955 (First Reprint) but I remain confident that its important objectives will be achieved through the implementation of Assembly Bill No. 3691 (First Reprint).

I commend my partners in the Legislature for their diligent efforts in standing up this historic program. Together, we will ensure that landlords, tenants, and homeowners will receive the rental and utility relief they need, once again demonstrating that New Jersey is the best place in the country to call home.

Date: August 4, 2021

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor