2A' 18-61.20

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			()	Tenant	Protect	tion	Act	of	1992)
NJSA:	2A:18-61.20		(·						,
LAWS OF:	1991		CI	HAPTER	: 509				
BILL NO:	A5321								
SPONSOR(S):	Kronick								
DATE INTRODUCEI): Janua	ary 8, 1992	2						
COMMITTEE:	ASSEN	1BLY:							
	SENAT	ſE:				,			
AMENDED DURING	PASSAGE:		No			`			
DATE OF PASSAGE	E: ASSEN	1BLY:	Januar	y 10,	1992	, +			
	SENA	ſE:	Januar	y 13,	1992				
DATE OF APPROVA	AL: Janua	ary 18, 199	92						
FOLLOWING STATE	EMENTS ARE	ATTACHED 1	IF AVAI	LABLE:					
SPONSOR STATEME	ENT:		Y	es					
COMMITTEE STATE	EMENT:	ASSEMBLY:	N	0					
		SENATE:	N	0		•	J		
FISCAL NOTE:			N	0	•				
VETO MESSAGE:		N	0						
MESSAGE ON SIGNING:		N	0			\$			
FOLLOWING WERE	PRINTED:								
REPORTS:		N	0						
HEARINGS:		N	0						
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P.L.1991, CHAPTER 509, approved January 18, 1992 1991 Assembly No. 5321

AN ACT concerning the conversions of residential rental
 premises in certain cases, amending P.L.1974, c.49, P.L.1977,
 c.419, P.L.1981, c.226 and P.L.1986, c.138, and supplementing
 Title 2A of the New Jersey Statutes.

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

8 1. (New section) This act shall be known and may be cited as9 the "Tenant Protection Act of 1992."

2. (New section) The Legislature finds that the provision and 10 maintenance of an adequate supply of housing affordable to 11 persons of low and moderate income in this State has been and is 12 becoming increasingly difficult as a result of economic and 13 14 market forces which require special public actions or subsidies to counteract. One particularly acute result of this has been the 15 continual increase in the number of displaced or homeless persons 16 who, lacking permanent shelter, require special assistance from 17 18 public services in this State and in surrounding states in order to remain alive. The Legislature has in the past taken various 19 20 actions, and is currently considering several measures, to increase the supply of affordable housing in the State. At the 21 22 same time, it is necessary to protect residential tenants, particularly those of advanced age or disability, or lower 23 24 economic status, from the effects of eviction from affordable housing in recognition of the high costs, both financial and social, 25 to the public of displacement from affordable housing and of 26 homelessness. The Legislature has in the past through various 27 enactments recognized that the eviction of residential tenants 28 pursuant to the process of conversion of residential premises to 29 condominiums or cooperatives exacerbates homelessness and 30 makes more difficult the maintenance of an adequate supply of 31 32 low and moderate income housing. The Legislature, therefore, declares that it is in the public interest to establish a tenant 33 34 protection program specifically designed to provide protection to residential tenants, particularly the aged and disabled and those 35 36 of low and moderate income, from eviction resulting from 37 condominium or cooperative conversion.

- 38 3. (New section) As used in this act:
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"Administrative agency" means the municipal board officer or

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

agency designated, or the county agency contracted with, pursuant to section 6 of this act.

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3 "Annual household income" means the total income from all 4 sources during the last full calendar year, or the annual average 5 of that total income during the last two calendar years, 6 whichever is less, of a tenant and all members of the household 7 who residing in the tenant's dwelling unit when the tenant applies 8 for protected tenancy, whether or not such income is subject to 9 taxation by any taxing authority.

10 "Commissioner" means the Commissioner of Community11 Affairs.

"Conversion" means conversion as defined in section 3 of "The
Planned Real Estate Development Full Disclosure Act," P.L.1977,
c.419 (C.45:22A-23).

15 "Conversion recording" means the recording with the
appropriate county officer of a master deed for a condominium or
a deed to a cooperative corporation for a planned residential
development or separable fee simple ownership of the dwelling
units.

20 "County rental housing shortage" means a certification issued 21 by the Commissioner of Community Affairs that there has 22 occurred a significant decline in the availability of rental 23 dwelling units in the county due to conversions; provided, 24 however, that the commissioner shall not issue any such 25 certification unless during the immediately preceeding 10 year 26 period:

a. The aggregate number of rental units subject to
registrations of conversion during any three consecutive years in
the county exceeds 10,000; and

b. The aggregate number of rental units subject to
registrations of conversion in at least one of those three years
exceeds 5,000.

33 "Department" means the Department of Community Affairs.

"Index" means the annual average over a 12-month period 34 beginning September 1 and ending August 31 of the Consumer 35 Price Index for Urban Wage Earners and Clerical Workers 36 37 (CPI-W), All Items Series A, of the United States Department of Labor (1957+1959 = 100), for either the New York, 38 NY-Northeastern New Jersey or the Philadelphia, PA-New 39 Jersey region, according as either shall have been determined by 40 the commissioner to be applicable in the locality of a property 41 42 undergoing conversion.

"Protected tenancy period" means, except as ~otherwise
provided in section 11 of this act, all that time following the
conversion recording for a building or structure during which a
qualified tenant in that building or structure continues to be a
qualified tenant and continues to occupy a dwelling unit therein
as his principal residence.

49 "Qualified county" means:

50 a Any county with a population in excess of 500,000 and a

population density in excess of 8,500 per square mile, according
 to the most recent federal decennial census; or

b. Any county wherein there exists a county rental housingshortage.

5 "Qualified tenant" means a tenant who is a resident in a 6 qualified county and:

7 (1) Applied for protected tenancy status on or before the date 8 of registration of conversion by the department, or within one 9 year of the effective date of this act, whichever is later;

(2) Has occupied the premises as his principal residence for at least <u>12</u> consecutive months next preceding the date of application; and

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(3) Has an annual household income that does not at the time
of application exceed the maximum qualifying income as
determined pursuant to section 4 of this act, except that this
income limitation shall not apply to any tenant who is aged 75 or
more years or is disabled within the meaning of section 3 of
P.L.1981, c.226 (C.2A:18-61.24).

"Registration of conversion" means an approval of an
application for registration by the department in accordance with
"The Planned Real Estate Development Full Disclosure Act,"
P.L.1977, c.419 (C.45:22A-21 et seq.).

"Tenant in need of comparable housing" means a tenant who is
not a qualified tenant under this act and is not eligible for
protected tenancy under the "Senior Citizens and Disabled
Protected Tenancy Act," P.L.1981, c.226 (C.2A:18-61.22 et al).

27 4. _(New section) As of the effective date of this act, maximum qualifying income for the purpose of determining 28 qualified tenant status as defined in section 3 of this act shall be 29 30 in the case of a household comprising one person, \$31,400; two 31 persons, \$38,500; three persons, \$44,800; four persons, \$50,300; 32 five persons, \$55,000; six persons, \$58,900; seven persons, \$62,000; eight or more persons, \$64,300. In the case of any 33 application for protected tenancy filed more than one year from 34 35 the effective date of this act, and upon any occasion when 36 termination of a previously granted protected tenancy is sought 37 pursuant to section 11 of this act upon the grounds set forth in 38 paragraph (2) of subsection a. of that section, these figures shall 39 be adjusted by the percentage change, if any, in the applicable 40 index that has occurred since the effective date of this act.

5. (New section) a. Each qualified tenant shall be granted as protected tenancy status with respect to his dwelling unit upon conversion of the building or structure in which the unit is located. The protected tenancy status shall be granted upon proper application and qualification pursuant to the provisions of this act.

b. Each qualified tenant in need of comparable housing shall be
entitled to remain in his dwelling unit upon conversion of the
building or structure in which the unit is located until the owner
of the building or structure has complied with the provisions of

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L	P.L.1975,	c.311	(C.2A:18-61.7	et a	l.)).
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6. (New section) Each municipal governing body in a qualified county shall designate a municipal board, agency or officer to act as its administrative agency for the purposes of this act or may enter into a contractual agreement with an appropriate county to act as its administrative agency for purposes of this act. In the absence of such authorization or contractual agreement, this act shall be administered by the board, agency or officer administering the provisions of the "Senior Citizens and Disabled Protected Tenancy Act," P.L.1981, c.226 (C.2A:18-61.22 et al.) in the municipality.

12 7. (New section) The owner of any building or structure in a qualified county who seeks to convert any premises shall notify 13 the administrative agency of that intention prior to filing the 14 15 application for registration of conversion with the department. The owner shall supply the administrative agency with a list of 18 17 every tenant residing in the premises, with stamped envelopes addressed to each tenant and with sufficient copies of the notice 18 to tenants and application form for protected tenancy status. 19 20 Within 10 days thereafter, the administrative agency shall notify 21 each residential tenant in writing of the owner's intention and of the applicability of the provisions of this act and shall provide 22 him with a written application form. The agency's notice shall 23 be substantially in the following form: 24

"NOTICE

26	
27	THE OWNER OF YOUR APARTMENT HAS NOTIFIED
28	OF HIS INTENTION TO
29	(insert name of municipality)
30	CONVERT TO A CONDOMINIUM OR COOPERATIVE.
31	
32	UNDER STATE LAW YOU MAY BE ENTITLED
33	TO A PROTECTED TENANCY.
34	· · ·
35	PROTECTED TENANCY MEANS THAT YOU
36	CANNOT BE EVICTED BECAUSE OF THE CONVERSION.
37	
38	YOU MAY BE QUALIFIED:
ຶ 39	(1) IF YOU HAVE LIVED IN YOUR APARTMENT FOR
40	A YEAR AND
41	(2) IF YOUR HOUSEHOLD INCOME IS LESS THAN
42	, OR
43	(insert current maximum qualifying income
44	established under section 3 of this act) 💦 🗠 👘
45	YOU ARE DISABLED OR ARE AT LEAST 75 YEARS OLD.
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47	- IF YOU THINK YOU MAY QUALIFY, SEND IN THE
48	APPLICATION FORM BY
49	(insert date 60 days after
50	municipality's mailing)
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TO THE (insert name and address of administrative agency)

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EVEN IF YOU DO NOT QUALIFY, YOU HAVE THE RIGHT TO REMAIN IN YOUR APARTMENT UNTIL YOUR LANDLORD HAS COMPLIED WITH LAWS REGARDING THE OFFER OF COMPARABLE HOUSING.

FOR FURTHER INFORMATION CALL...... (insert phone number of administrative agency)

OR" (insert phone number of

Department of Community Affairs)

17 The department shall not accept any application for 18 registration of conversion for any building or structure unless 19 included in the application is proof that the administrative 20 agency notified the tenants prior to the application for 21 registration. The proof shall be by affidavit or in such other form 22 as the department shall require.

In any municipality where the administrative agency is the same as the agency administering the "Senior Citizens and Disabled Protected Tenancy Act," P.L.1981, c.226 (C.2A:18-61.22 et al.), the notices required under that act and this act may be combined in a single mailing.

8. (New section) Within 30 days after receipt of an application for the protected tenancy status authorized under the provisions of this act, the administrative agency shall make a determination of qualification. It shall send written notice of qualification to each tenant who is a resident of the qualified county and:

a. applied on or before the date of registration of conversion by the department, or within one year from the effective date of this act, whichever is later; and,

b. has an annual household income that does not exceed the maximum amount permitted for qualification, or is exempt from that income limitation by reason of age or disability; and,

c. has occupied the premises as his principal residence for at
least 12 consecutive months next preceding the date of
application.

The administrative agency shall likewise send a notice of 42 43 denial, with reasons therefor, to any tenant whom it determines 44 not to be qualified. That notice shall inform the tenant of his 45 right to remain in his dwelling unit until the owner shall have 46 complied with the requirements of P.L.1975, c.311 (C.2A:18-61.7 et al.) and shall include an explanation of the meaning of 47 "comparable housing" as used in that act. The owner shall be 48 49notified of those tenants who are determined to be qualified and 50 unqualified. '

1 The administrative agency may require that the application 2 include such documents and information as may be necessary to 3 establish that the tenant is qualified for a protected tenancy 4 status under the provisions of this act and shall require that such 5 documentation and information be submitted under oath. The 6 commissioner may by regulation adopt uniform forms to used in 7 applying for protected tenancy status, for notifying an applicant 8 of qualification or denial thereof, and conveying to a denied 9 application the information concerning his rights to continued 10 tenancy and offer of comparable housing; it may also adopt such other regulations for the procedure of determining qualification 11 as it deems necessary or expedient to the proper effectuation of 12 the provisions and purposes of this act. 13

9. (New section) No registration of conversion for a building 14 15 or structure located in a qualified county shall be approved until 16 the department receives proof that the provisions of section 8 of 17 this act have been complied with, and that notification, as 18 required in that section has been made to all tenants who filed 19 application for protected tenancy status on or before the 20 application deadline prescribed in the notice given pursuant to 21 section 7 of this act. The proof shall be by affidavit or in such 22 form as the department may require.

23 10. (New section) The protected tenancy status authorized 24 under the provisions of this act shall not be applicable to any 25 qualified tenant until such time as the owner has filed his The protected tenancy status shall 26 conversion recording. automatically apply as soon as a tenant receives notice of 27 28 qualification and the landlord files his conversion recording. The 29 conversion recording shall not be filed until after the registration 30 of conversion.

31 11. (New section) a. The administrative agency shall
32 terminate the protected tenancy status authorized under the
33 provisions of this act immediately upon finding that:

34 (1) the dwelling unit is no longer the principal residence of the35 tenant, or

36 (2) the tenant's annual household income exceeds the 37 maximum amount permitted for qualification.

b. Upon presentation to the administrative agency of credible evidence that a tenant is no longer qualified for protected tenancy status under this act, the administrative agency shall proceed, in accordance with such regulations and procedures as the department shall adopt and prescribe for use in such cases, to investigate and make a determination as to the continuance of that status.

45 c. Upon the termination of the protected tenancy status by the 46 administrative agency, the tenant may be removed from the 47 dwelling unit pursuant to P.L.1974, c.49 (C.2A:18-61.1 et seq.), 48 except that all notice and other times set forth therein shall be 49 calculated and extend from the date of the expiration or 50 termination of the protected tenancy period, or the date of the

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expiration of the last lease entered into with the tenant during
 the protected tenancy period, whichever shall be later.

d. Any protection afforded to a person under the "Senior 3 Citizens and Disabled Protected Tenancy Act," P.L.1981, c.226 4 5 (C.2A:18-61.22 et al.) shall remain in full force and effect. If the 6 administrative agency determines that a tenant is no longer qualified for protected tenancy under that act, the administrative 7 agency shall proceed to determine the eligibility of that tenant 8 under the "Tenant Protection Act of 1992," P.L., c. (C. 9) (now pending in the Legislature as this bill), or, in any case in 10 11 which the administrative agency is not the same as the agency administering the "Tenant Protection Act of 1992" in the 12 13 municipality, shall refer the case to the appropriate administrative agency for such determination. If the tenant is 14 15 found by such determination to be eligible, his protected tenancy status shall be continued. The protected tenancy status of the 16 17 tenant shall remain in full force pending such determination.

18 12. (New section) In the event that a qualified tenant
19 purchases the dwelling unit he occupies, the protected tenancy
20 status afforded under the provisions of this act shall terminate
21 immediately upon purchase.

22 13. (New section) a. In the case of a municipality subject to 23 the provisions of this act that does not have a rent control 24 ordinance in effect, no evidence of increased costs that are solely the result of the conversion, including but not limited to any 25 26 increase in financing or carrying costs, and do not add services or 27 amenities not previously provided shall be used as a basis to 28 establish the reasonableness of a rent increase under subsection f. 29 of section 2 of P.L.1974, c.49 (C.2A:18-61.1).

30 b. In the case of a municipality subject to the aprovisions of 31 this act that has a rent control ordinance in effect, a rent increase for a qualified tenant with a protected tenancy status, 32 or for any tenant to whom notice of termination pursuant to 33 subsection g. of section 3 of P.L.1974, c.49 (C.2A:18-61.2) has 34 been given, shall not exceed the increase authorized by the 35 36 ordinance for rent-controlled units. Increased costs that are solely the result of a conversion, including but not limited to any 37 increase in financing or carrying costs, and do not add services or 38 39 amenities not previously provided shall not be used as a basis for 40 an increase in a fair-return or hardship hearing before a 41 municipal rent board or on any appeal from such determination.

42 14. (New section) In the case of a building or structure 43 located in a qualified county, the public offering statement for a 44 conversion as required by "The Planned Real Estate Development Full Disclosure Act, P.L. 1977, c.419 (C.45:22A-21 et seq.), shall 45 blearly inform the prospective purchaser of the provisions of this 46 47 act regarding the protection of qualified tenants and tenants in 48 need of comparable housing. Any contract or agreement for sale 49 of a converted unit shall contain a clause in 10-point bold type or 50 larger that the contract is subject to the terms of this act

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concerning such tenant protection and an acknowledgement that the purchaser has been informed of these terms.

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15. (New section) A municipality located in a qualified county is authorized to charge an owner a fee which may vary according to the size of the building to cover the cost of providing the services required by this act.

7 16. (New section) Any agreement whereby the tenant waives
8 any rights under this act shall be deemed to be against public
9 policy and unenforceable.

10 17. (New section) For one year from the effective date of this 11 act, no action for removal of a qualified tenant shall be instituted, no judgment shall be entered against a qualified tenant 12 based upon a previously instituted action, and no qualified tenant 13 shall be removed from his dwelling unit by a landlord, on the basis 14 15 of the conversion of the premises. The owner of any residential premises located in a qualified county who, prior to that date, has 16 registered those residential premises for conversion or applied for 17 18 such registration shall comply with the provisions of this act, and 19 the tenants residing in those premises shall be entitled to the 20 protections extended under this act as if the registration or application for registration had not so occurred prior to that 21 date. However, the provisions of this section shall not apply to 22 any residential unit for which a conversion was registered prior to 23 March 4, 1991 if the unit was sold to a bona fide individual 24 purchaser prior to that date and that purchaser intends to 25 personally occupy the unit as his principal residence. 26

18. (New section) Nothing in this act shall be deemed to
prevent a court from removing a tenant, qualified tenant or
tenant in need of comparable housing from a dwelling unit
located in a qualified county for good cause shown not to be
related to conversion of the building or structure to a
condominium or cooperative.

33 19. Section 2 of P.L.1974, c.49 (C.2A:18-61.1) is amended to 34 read as follows:

2. No lessee or tenant or the assigns, under-tenants or legal 35. 36 representatives of such lessee or tenant may be removed by the 37 Superior Court from any house, building, mobile home or land in a mobile home park or tenement leased for residential purposes, 38 39 other than (1) owner-occupied premises with not more than two rental units or a hotel, motel or other guest house or part thereof 40 rented to a transient guest or seasonal tenant; (2) a dwelling unit 41 which is held in trust on behalf of a member of the immediate 42 family of the person or persons establishing the trust, provided 43 44 that the member of the immediate family on whose behalf the 45 trust is established permanently occupies the unit and; (3) a 46 dwelling unit which is permanently occupied by a member of the 47 immediate family of the owner of that unit, provided, however, that exception (2) or (3) shall apply only in cases in which the 48 49 member of the immediate family has a developmental disability, except upon establishment of one of the following grounds as 50

good cause:

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a. The person fails to pay rent due and owing under the lease whether the same be oral or written[;].

b. The person has continued to be, after written notice to cease, so disorderly as to destroy the peace and quiet of the occupants or other tenants living in said house or neighborhood[;].

c. The person has willfully or by reason of gross negligence caused or allowed destruction, damage or injury to the premises[;]. d. The person has continued, after written notice to cease, to substantially violate or breach any of the landlord's rules and regulations governing said premises, provided such rules and regulations are reasonable and have been accepted in writing by the tenant or made a part of the lease at the beginning of the lease term[;].

e. The person has continued, after written notice to cease, to substantially violate or breach any of the covenants or agreements contained in the lease for the premises where a right of reentry is reserved to the landlord in the lease for a violation of such covenant or agreement, provided that such covenant or agreement is reasonable and was contained in the lease at the beginning of the lease term[;].

f. The person has failed to pay rent after a valid notice to quit
and notice of increase of said rent, provided the increase in rent
is not unconscionable and complies with any and all other laws or
municipal ordinances governing rent increases[;].

26 g. The landlord or owner (1) seeks to permanently board up or 27 demolish the premises because he has been cited by local or State 28 housing inspectors for substantial violations affecting the health and safety of tenants and it is economically unfeasible for the 29 30 owner to eliminate the violations; (2) seeks to comply with local or State housing inspectors who have cited him for substantial 31 32 violations affecting the health and safety of tenants and it is unfeasible to so comply without removing the tenant; 33 simultaneously with service of notice of eviction pursuant to this 34 clause, the landlord shall notify the Department of Community 35 36 Affairs of the intention to institute proceedings and shall provide 37 the department with such other information as it may require pursuant to rules and regulations. The department shall inform 38 39 all parties and the court of its view with respect to the feasibility of compliance without removal of the tenant and may in its 40 41 discretion appear and present evidence; (3) seeks to correct an illegal occupancy because he has been cited by local or State 42 housing inspectors and it is unfeasible to correct such illegal 43 occupancy without removing the tenant; or (4) is a governmental 44 agency which seeks to permanently retire the premises from the 45 46 rental market pursuant to a redevelopment or land clearance plan in a blighted area. In those eases where the tenant is being 47 48 removed for any reason specified in this subsection, no warrant 49 for possession shall be issued until P.L.1967, c.79 (C.52:31B-1 et seq.) and P.L. 1971, c. 362 (C. 20:4-1 et seq.) have been complied SΟ

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h. The owner seeks to retire permanently the residential building or the mobile home park from residential use or use as a mobile home park, provided this subsection shall not apply to circumstances covered under subsection g. of this section[;].

i. The landlord or owner proposes, at the termination of a lease, reasonable changes of substance in the terms and conditions of the lease, including specifically any change in the term thereof, which the tenant, after written notice, refuses to accept; provided that in cases where a tenant has received a notice of termination pursuant to subsection g. of section 3 of P.L.1974, c.49 (C.2A:18-61.2), or has a protected tenancy status pursuant to section 9 of the "Senior Citizens and Disabled Protected Tenancy Act," P.L.1981, c.226 (C.2A:18-61.22 et al.), or pursuant to the "Tenant Protection Act of 1992," P.L. .C.)(now pending before the Legislature as this bill), the ίC. landlord or owner shall have the burden of proving that any change in the terms and conditions of the lease, rental or regulations both is reasonable and does not substantially reduce the rights and privileges to which the tenant was entitled prior to the conversion[:].

j. The person, after written notice to cease, has habitually and without legal justification failed to pay rent which is due and owing[;].

25 k. The landlord or owner of the building or mobile home park is converting from the rental market to a condominium, cooperative 26 or fee simple ownership of two or more dwelling units or park 27 sites, except as hereinafter provided in subsection 1. of this 28 section. Where the tenant is being removed pursuant to this 29 subsection, no warrant for possession shall be issued until this act 30 has been complied with. No action for possession shall be brought 31 pursuant to this subsection against a senior citizen tenant or 32 disabled tenant with protected tenancy status pursuant to the 33 "Senior Citizens and Disabled Protected Tenancy Act," P.L.1981, 34 c.226 (C.2A:18-61.22 et al.), or against a qualified tenant under 35 the "Tenant Protection Act of 1992," P.L. , c. (C.)(now 36 37 pending before the Legislature as this bill), as long as the agency has not terminated the protected tenancy status or the protected 38 tenancy period has not expired[;]. 39

l. (1) The owner of a building or mobile home park, which is 40 constructed as or being converted to a condominium, cooperative 41 or fee simple ownership, seeks to evict a tenant or sublessee 42 whose initial tenancy began after the master deed, agreement 43 34 establishing the cooperative or subdivision plat was recorded, because the owner has contracted to sell the unit to a buyer who 45 seeks to personally occupy it and the contract for sale calls for 46 the unit to be vacant at the time of closing. However, no action 47 shall be brought against a tenant under paragraph (1) of this 48 subsection unless the tenant was given a statement in accordance 49 with section 6 of P.L. 1975, c.311 (C.2A:18-6).9);" 50

1 (2) The owner of three or less condominium or cooperative 2 units seeks to evict a tenant whose initial tenancy began by rental from an owner of three or less units after the master deed 3 or agreement establishing the cooperative was recorded, because 4 the owner seeks to personally occupy the unit, or has contracted 5 to sell the unit to a buyer who seeks to personally occupy it and 6 the contract for sale calls for the unit to be vacant at the time of 7 8 closing;

9 (3) The owner of a building of three residential units or less 10 seeks to personally occupy a unit, or has contracted to sell the 11 residential unit to a buyer who wishes to personally occupy it and 12 the contract for sale calls for the unit to be vacant at the time of 13 closing[;].

m. The landlord or owner conditioned the tenancy upon and in consideration—for the tenant's employment by the landlord or owner as superintendent, janitor or in some other capacity and such employment is being terminated[;].

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n. The person has been convicted of or pleaded guilty to, or if 18 19 a juvenile, has been adjudicated delinquent on the basis of an act which if committed by an adult would constitute an offense under 20 the "Comprehensive Drug Reform Act of 1987," N.J.S.2C:35-1 21 et al. involving the use, possession, manufacture, dispensing or 22 distribution of a controlled dangerous substance, controlled 23 dangerous substance analog or drug paraphernalia within the 24 25 meaning of that act within or upon the leased premises or the 26 building or complex of buildings and land appurtenant thereto, or 27 the mobile home park, in which those premises are located, and 28 has not in connection with his sentence for that offense either (1) successfully completed or (2) been admitted to and continued 29 30 upon probation while completing, a drug rehabilitation program 31 pursuant to N.J.S.2C:35-14; or, being the tenant or lessee of such 32 leased premises, knowingly harbors therein a person who has been 33 so convicted or has so pleaded, or otherwise permits such a 34 person to occupy those premises for residential purposes, whether 35 continuously or intermittently, except that this subsection shall 36 not apply to a person who harbors or permits a juvenile to occupy 37 the premises if the juvenile has been adjudicated delinquent upon the basis of an act which if committed by an adult would 38 39 constitute the offense of use or possession under the said act.

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40 o. The person has been convicted of or pleaded guilty to, or if 41 a juvenile, has been adjudicated delinquent on the basis of an act 42 which if committed by an adult would constitute an offense under 43 N.J.S.2C:12-1 dr N.J.S.2C:12-3 involving assault, or terroristic threats against the landlord, a member of the landlord's family 44 or an employee of the landlord; or, being the tenant or lessee of 45 46 such leased premises, knowingly harbors therein a person who has 47 been so convicted or has so pleaded, or otherwise permits such a 48 person to occupy those premises for residential purposes, whether 49 continuously or intermittently.

\$0 * sep. The person has been found, by a preponderance of the

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1 evidence, liable in a civil action for removal commenced under 2 this act for an offense under N.J.S.2C:12-1 or N.J.S.2C:12-3 3 involving assault or terroristic threats against the landlord, a member of the landlord's family or an employee of the landlord, 4 or under the "Comprehensive Drug Reform Act of 1987," 5 N.J.S.2C:35-1 et al., involving the use, possession, manufacture, 6 dispensing or distribution of a controlled dangerous substance, 7 8 controlled dangerous substance analog or drug paraphernalia 9 within the meaning of that act within or upon the leased premises 10 or the building or complex of buildings and land appurtenant thereto, or the mobile home park, in which those premises are 11 12 located, and has not in connection with his sentence for that 13 offense either (1) successfully completed or (2) been admitted to 14 and continued upon probation while completing a drug 15 rehabilitation program pursuant to N.J.S.2C:35-14; or, being the 16 tenant or lessee of such leased premises, knowingly harbors 17 therein a person who committed such an offense, or otherwise 18 permits such a person to occupy those premises for residential 19 purposes, whether continuously or intermittently, except that this 20 subsection shall not apply to a person who harbors or permits a 21 juvenile to occupy the premises if the juvenile has been 22 adjudicated delinquent upon the basis of an act which if 23 committed by an adult would constitute the offense of use or possession under the said "Comprehensive Drug Reform Act of 24 1987." 25

For purposes of this section, (1) "developmental disability" 26 27 means any disability which is defined as such pursuant to section 3 of P.L.1977, c.82 (C.30:6D-3); (2) "member of the immediate 28 29 family" means a person's spouse, parent, child or sibling, or a 30 spouse, parent, child or sibling of any of them; and (3) 31 "permanently" occupies or occupied means that the occupant maintains no other domicile at which the occupant votes, pays 32 33 rent or property taxes or at which rent or property taxes are paid on the occupant's behalf. 34

(cf: P.L.1991, c.307, s.1) 35

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20. Section 6 of P.L.1986, c.138 (C.2A:18-61.1e) is amended to 36 37 read as follows:

6. If a dwelling unit becomes vacated after notice has been given that the owner seeks to permanently board up or demolish 39 the premises or seeks to retire permanently the premises from 40 41 residential use pursuant to paragraph (1) of subsection g.[(1)] or 42 subsection h. of section 2 of P.L.1974, c.49 (C.2A:18-61.1) and if 43 at any time thereafter an owner instead seeks to return the premises to residential use, the owner shall provide the former 44 45 tenant:

a." Written notice 90 days in advance of any return to residential use or any agreement for possession of the unit by any other party, which notice discloses the owner's intention to return the unit to residential use and all appropriate specifics;

b. The right to return to possession of the vacated unit or, if

return is not available, the right to possession of affordable housing relocation in accord with the standards and criteria set forth for comparable housing as defined by section 4 of P.L.1975, c.311 (C.2A:18-61.7); and

c. In the case-of a conversion, the right to a protected tenancy 5 pursuant to the "Senior Citizens and Disabled Protected Tenancy 6 Act," P.L.1981, c.226 (C.2A:18-61.22 et seq.), or pursuant to the 7 "Tenant Protection Act of 1992," P.L., c. (C.) (now 8 pending before the Legislature as this bill), if the former tenant 9 would have at the time of the conversion been [a senior citizen or 10 disabled person] eligible for a protected tenancy under either of 11 those acts, had the former tenant not vacated the premises. 12

The 90-day notice shall disclose the tenant's rights pursuant to 13 this section and the method for the tenant's response to exercise 14 these rights. A duplicate of the notice shall be transmitted within 15 the first five days of the 90-day period to the rent board in the 16 17 municipality or the municipal clerk, if there is no board. 18 Notwithstanding the provisions of subsection c. of section 3 of P.L.1975, c.311 (C.2A:18-61.6), damages awarded shall not be 19 20 trebled where possession has been returned in accord with this section; nor shall any damages be awarded as provided for in 21 subsection e. of section 3 of P.L.1975, c.311 (C.2A:18-61.6). An 22 23 owner who fails to provide a former tenant a notice of intention 24 to return to residential use pursuant to this section is liable to a 25 civil penalty of not less than \$2,500.00 or more than \$10,000.00 26 for each offense, and shall also be liable in treble damages, plus 27 attorney fees and costs of suit, for any loss or expenses incurred 28 by a former tenant as a result of that failure. The penalty 29 prescribed in this section shall be collected and enforced by 30 summary proceedings pursuant to "the penalty enforcement law" 31 (N.J.S.2A:58-1 et seq.). The Superior Court, Law Division, Special Civil Part, in the county in which the rental premises are 32 33 located shall have jurisdiction over such proceedings. Process 34 shall be in the nature of a summons or warrant, shall issue upon the complaint of the Commissioner of the Department of 35 Community Affairs, the Attorney General, or any other person. 36 No owner shall be liable for a penalty pursuant to this section if 37 38 the unit is returned to residential use more than five years after the date the premises are vacated or if the owner made every-39 40 reasonable effort to locate the former tenant and provide the 41 notice, including, but not limited to, the employment of a b 42 qualified professional locator service, where no return receipt is 43 obtained from the former tenant.

In any action under this section the court shall, in addition to
damages, award any other appropriate legal or equitable relief.
(cf: P.L.1986, c.138, s.6)

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> 7. a. The application for registration of the development shall be filed as prescribed by the agency's rules and shall contain the

following documents and information:

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(1) An irrevocable appointment of the agency to receive service of any lawful process in any noncriminal proceeding arising under this act against the developer or his agents;

5 (2) The states or other jurisdictions, including the federal 6 government, in which an application for registration or similar 7 documents have been filed, and any adverse order, judgment or 8 decree entered in connection with the development by the 9 regulatory authorities in each jurisdiction or by any court;

10 (3) The name, address, and principal occupation for the past 11 five years of every officer of the applicant or person occupying a 12 similar status, or performing similar management functions; the 13 extent and nature of his interest in the applicant or the 14 development as of a specified date within 30 days of the filing of 15 the application;

(4) Copies of its articles of incorporation, with all amendments 16 17 thereto, if the developer is a corporation; copies of all instruments by which the trust is created or declared, if the 18 19 developer is a trust; copies of its articles of partnership or 20 association and all other papers pertaining to its organization, if 21 the developer is a partnership, unincorporated association, joint 22 stock company, or any other form of organization; and if the 23 purported holder of legal title is a person other than the developer, copies of the above documents from such person; 24

(5) A legal description of the lands offered for registration,
together with a map showing the subdivision proposed or made,
and the dimensions of the lots, parcels, units, or interests, as
available, and the relation of such lands to existing streets, roads,
and other improvements;

(6) Copies of the deed or other instrument establishing title to
the subdivision in the developer, and a statement in a form
acceptable to the agency of the condition of the title to the land
comprising the development, including encumbrances as of a
specified date within 30 days of the date of application by a title
opinion of a licensed attorney, or by other evidence of title
acceptable to the agency;

(7) Copies of the instrument which will be delivered to a
purchaser to evidence his interest in the development, and of the
contracts and other agreements which a purchaser will be
required to agree to or sign;

(8) Copies of any management agreements, service contracts,
or other contracts or agreements affecting the use, maintenance
or access of all or a part of the development;

(9) A statement of the zoning and other government
regulations affecting the use of the development including the
site plans and building permits and their status, and also of any
existing tax and existing or proposed special taxes or assessments
which affect the development; and a statement of the existing
use of adjoining fands;

(10) A statement that the lots, parcels, units or interests in the development will be offered to the public, and that responses to applications will be made without regard to marital status, sex, race, creed, or national origin;

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(11) A statement of the present condition of access to the 5 development, the existence of any unusual conditions relating to 6 noise or safety, which affect the development and are known to the developer, the availability of sewage disposal facilities and 8 other public utilities including water, electricity, gas, and 9 telephone facilities in the development to nearby municipalities, and the nature of any improvements to be installed by the developer and his estimated schedule for completion;

13 (12) In the case of any conversion an engineering survey shall 14 be required, which shall include mechanical, structural, electrical 15 and engineering reports to disclose the condition of the building;

(13) In the case of any development or portion thereof against 16 which there exists a blanket encumbrance, a statement of the 17 18 consequences for an individual purchaser of a failure, by the person or persons bound, to fulfill obligations under the 19 instrument or instruments creating such encumbrances and the 20 steps, if any, taken to protect the purchaser in such eventuality; 21

(14) A narrative description of the promotional plan for the 22 23 disposition of the lots, parcels, units or interests in the development, together with copies of all advertising material 24 which has been prepared for public distribution, and an indication 25 26 of their means of communication;

(15) The proposed public offering statement;

28 (16) A current financial statement, which shall include such 29 information concerning the developer as the agency deems to be pertinent, including but not limited to, a profit and loss 30 statement| certified by an independent public accountant and 31 information concerning any adjudication of bankruptcy during the 32 last five years against the developer, or any principal owning 33 34 more than 10% of the interest in the development at the time of filing, provided, however, that this shall not extend to limited 35 36 partners, or others whose interests are solely those of investors;

(17) Copies of instruments creating easements or other 38 restrictions;

(18) A statement of the status of compliance with the 39 requirements of all laws, ordinances, regulations, and other 40 requirements of governmental agencies having jurisdiction over 41 42 the premises;

43 (19) Such other information, documentation, or certification as the agency deems necessary in furtherance of the protective 44 45 purposes of this act.

The information contained in any application for 46 **b**. registration and copies thereof, shall be made available to 47 48 interested parties at a reasonable charge and under such 49 regulations as the agency may prescribe.

c. A developer may register additional property pursuant to

the same common promotional plan as those previously registered by submitting another application, providing such additional information as may be necessary to register the additional lots, parcels, units or interests, which shall be known as a consolidated filing.

The developer shall immediately report any material d. changes in the information contained in an application for registration. The term "material changes" shall be further defined by the agency in its regulations.

10 e. The application shall be accompanied by a fee in an amount equal to \$500.00 plus \$35.00 per lot, parcel, unit, or interest 11 contained in the application, which fees may be used by the 12 agency to partially defray the cost of rendering services under 13 the act. If the fees are insufficient to defray the cost of 14 rendering services under P.L.1977, c.419 (C.45:22A-21 et seq.), 15 16 the agency shall, by regulation, establish a revised fee schedule. 17 The revised fee schedule shall assure that the fees collected reasonably cover but do not exceed the expenses and 18 administration of implementing P.L.1977, c.419 (C.45:22A-21 et 19 20 seq.).

f. (1) An engineering study required pursuant to paragraph (12) of subsection a. of this section shall be conducted, and the results thereof certified, by a person licensed in this State as a professional-engineer_pursuant-to-P.L.1938, c.342 (C.45:8-27-etseq.).

26 (2) The engineer who prepares the survey shall certify to the 27 agency whether, in his judgment, the building is in compliance with the code standards adopted under the "Hotel and Multiple 28 Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.) and the 29 "Uniform Fire Safety Act," P.L.1983, c.383 (C.52:27D-192 et 30 seq.) and shall list all outstanding violations then existing in 31 32 accordance with his observation and judgment. The engineer shall be immune from tort liability with regard to such 33 certification and list in the same manner and to the same extent 34 as if he were a public employee protected by the "New Jersey 35 36 Tort Claims Act," N.J.S.59:1-1 et seq.

37 (3) If the agency finds there is a significant discrepancy 3**8** between the engineering survey submitted by the applicant and an 39 engineering survey submitted by any tenant or tenants currently 40 residing in the building, the agency shall investigate the matter in 41 order to determine the true state of facts prior to approving the 42 application. The agency may use its own staff or contract with 43 independent professionals, and may conduct hearings in accordance with the "Administrative Procedure Act," P.L.1968, 44 . c.410 (C.52:14B-1 et seq.). Any cost to the agency of hiring 45 independent professionals shall be borne by the applicant 46 47 developer at the discretion of the agency. (cf: P.L.1983, c.265, s.1)

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49· 22. Section 8 of P.L. 1977, c.419 (C.45:22A-28) is amended to read as follows: 50

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8. a. A public offering statement shall disclose fully and accurately the characteristics of the development and the lots, parcels, units, or interests therein offered, and shall make known to prospective purchasers all unusual or material circumstances

5 or features affecting the development. The proposed public 6 offering statement submitted to the agency shall be in a form 7 prescribed by its rules and regulations and shall include the 8 following:

(1) The name and principal address of the developer;

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10 (2) A general narrative description of the development stating 11 the total number of lots, units, parcels, or interests in the 12 offering, and the total number of such interests planned to be 13 sold, leased or otherwise transferred;

(3) Copies of any management contract, lease of recreational
areas, or similar contract or agreement affecting the use,
maintenance, or access of all or any part of the development,
with a brief and simple narrative statement of the effect of each
such agreement upon a purchaser, and a statement of the
relationship, if any, between the developer and the managing
agent or firm;

(4) (a) The significant terms of any encumbrances, easements,
liens, and restrictions, including zoning and other regulations,
affecting such lands and each unit, lot, parcel, or interest, and a
statement of all existing taxes and existing or proposed special
taxes or assessments which affect such lands; and

(b) In the case of a conversion subject to the provisions of the
"Tenant Protection Act of 1992," P.L., c. (C.)(now
pending before the Legislature as this bill), the information
required pursuant to section 14 of P.L., c. (C.) (now
pending before the Legislature as this bill);

(5) (a) Relevant community information, including hospitals,
health and recreational facilities of any kind, streets, water
supply, levees, drainage control systems, irrigation systems,
sewage disposal facilities and customary utilities; and

35 (b) The estimated cost, size, date of completion, and 36 responsibility for construction and maintenance of existing and 37 proposed amenities which are referred to in connection with the 38 offering or disposition of any interest in the subdivision or 39 subdivided lands;

40 (6) A copy of the proposed budget for the operation and 41 maintenance of the common or shared elements or interests;

42 (7) Additional information required by the agency to assure
43 full and fair disclosure to prospective purchasers.

b. The public offering statement shall not be used for any promotional purposes before registration of the development and afterwards only if it is used in its entirety. No person may advertise or represent that the agency approves or recommends the development or dispositions therein. No portion of the public offering statement may be underscored, italicized, or printed in... larger or heavier or different color type than the remainder of 1 the statement, unless the agency requires or permits it.

2 c. The agency may require the developer to alter or amend the 3 proposed public offering statement in order to assure full and fair disclosure to prospective purchasers, and no change in the 4 substance of the promotional plan or plan of disposition or 5 6 development of a planned real estate development may be made after registration without the approval of the agency. A public 7 offering statement shall not be current unless all amendments 8 9 have been incorporated.

d. The public offering statement shall, to the extent possible, 10 combine simplicity and accuracy of information, in order to 11 facilitate purchaser understanding of the totality of rights, 12 privileges, obligations and restrictions, comprehended under the 13 proposed plan of development. In reviewing such public offering 14 statement, the agency shall pay close attention to the 15 16 requirements of this subsection, and shall use its discretion to require revision of a public offering statement which is 17 18 unnecessarily complex, confusing, or is illegible by reason of type 19 size or otherwise.

20 (cf: P.L.1977, c.419, s.8)

21 23. Section 11 of P.L.1981, c.226 (C.2A:18-61.32) amended to 22 read as follows:

11. The administrative agency or officer shall terminate the
 protected tenancy status immediately upon finding that:

a. The dwelling unit is no longer the principal residence of the
senior citizen tenant or disabled tenant; or

27 b. The tenant's annual household income, or the average of 28 the tenant's annual household income for the current year, 29 computed on an annual basis, and the tenant's annual household 30 income for the two preceding years, whichever is less, exceeds an amount equal to three times the county per capita personal 31 32 income, as last reported by the Department of Labor and Industry on the basis of the U.S. Department of Commerce's Bureau of 33 Economic Analysis data, or \$50,000.00, whichever is greater. 34

The department shall adjust the county per capita personal 35 36 income to be used in subsection b. of this section if there is a difference of one or more years between (1) the year in which the 37 38 last reported county per capita personal income was based and (2) the last year in which the tenant's annual household income is 39 based. The county per capita personal income shall be adjusted 40 41 by the department by an amount equal to the number of years of 42 the difference above times the average increase or decrease in 43 the county per capita personal income for three years, including in the calculation the current year reported and the three 44 45 immediately preceding years.

46 Upon the termination of the protected tenancy status by the 47 administrative agency or officer, the senior citizen tenant or 48 disabled tenant may be removed from the dwelling unit pursuant 49 to P.L.1974, c.49 (C.2A:18-61.1 et seq.), except that all notice 50 and other times set forth therein shall be calculated and extend

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from the date of the expiration or termination of the protected tenancy period, or the date of the expiration of the last lease entered into with the senior citizen tenant or disabled tenant during the protected tenancy period, whichever shall be later.

If the administrative agency determines pursuant to this 5 6 section that a tenant is no longer qualified for protected tenancy 7 under this act, the administrative agency shall proceed to 8 determine the eligibility of that tenant under the "Tenant Protection Act of 1992," P.L. , c. 9 <u>(C</u>) (now pending 10 before the Legislature as this bill), or, in any case in which the 11 administrative agency is not the same as the agency 12 administering that other act in the municipality, refer the case to 13 the appropriate administrative agency for such determination. 14 the tenant is found to be eligible under the "Tenant Protection 15 Act of 1992," P.L. , c. (C.) (now pending before the 16 Legislature as this bill), his protected tenancy status shall be 17 continued. The protected tenancy status of the tenant shall 18 remain in full force pending such determination.

(cf: P.L.1987, c.287, s.4)

20 24. (New section) If any section, subsection, paragraph, 21 sentence or other part of this act is adjudged unconstitutional or 22 invalid, such judgment shall not affect, impair or invalidate the 23 remainder of this act, but shall be confined in its effect to the 24 section, subsection, paragraph, sentence or other part of this act directly involved in the controversy in which the judgment shall 25 26 have been rendered.

25. (New section) The commissioner is authorized to adopt, in 28 accordance with the provisions of the "Administrative Procedure 29 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), such rules and 30 regulations as may be necessary to implement the provisions of this act, including but not limited to, the prescribing of 31 32 administrative and notification procedures which integrate the 33 procedural requirements of this act with those of P.L.1981, c.226 (C.2A:18-61.22 et al.) in order to facilitate the efficient administration of both acts.

26. This act shall take effect June 1, 1992#

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STATEMENT

This bill, the "Tenant Protection Act of 1992," is designed to 42 provide a "protected tenancy" for qualified tenants when their résidential rental unit is converted to either a condominium or 43 44 cooperative property.

The protected tenancy authorized under this bill is available to 45 tenants who reside in qualified counties and who meet certain -46 ... 47 other eligibility requirements.

Under the bill, a "qualified county" is either a county which (1) 48 49 has a high population and population density; (therefore has 50 limited land available for the development of new low and

moderate income rental units,) or (2) has experienced significant 2 reductions in the availability of rental dwellings due to the conversions of those units into condominium and cooperative 3 properties.

5 To meet the population/population density qualification, a 6 county must have a population in excess of 500,000 and a population density in excess of 8,500 per square mile. To qualify 7 under the reduction in available rental unit criterion, the 8 9 Commissioner of Community Affairs must certify that during the preceeding 10 years the county has lost: (1) an aggregate of at 10 least 10,000 rental units due to conversions in any three 11 consecutive years and (2) at least 5,000 rental units due to 12 13 conversions in at least one of those three years.

Counties which are highly and densely populated have limited 14 land available for the development of new low and moderate 15 income rental units. Widespread displacement from affordable . 16 housing and homelessness are more likely to occur in such 17 counties when the number of rental units is significantly reduced 18 19 by conversions.

Tenants who reside in qualified counties would be eligible for 20 21 the protected tenancy authorized under this bill if: (1) they have 22 lived in their unit for at least one year before the conversion and 23 (2) either are 75 years of age or older; disabled (as defined in the 24 "Senior Citizens and Disabled Protected Tenancy Act," P.L.1981, 25 c.226; (C.2A:18-61.22 et al.); or have an income below a level. 26 (The income standards set forth in the bill range from \$31,400 for 27 a single individual to \$64,300 for a household of 8 or more, but are subject to adjustment annually based upon the Consumer 28 29 Price Index.)

Under the provisions of the bill, an owner wishing to convert a 30 rental property located in a qualified county into either a 31 32 condominium or cooperative property must notify, through the 33 local administering agency, the tenants and provide them with the appropriate application forms for protected tenancy. 34 The Department of Community Affairs may not accept 35 anv 36 application for the registration of a conversion for any building or 37 structure located in a qualified county unless proof is provided that the tenants of the building or structure have been so notified. 38 The provisions of this bill are to take effect on June 1, 39 1992---the date when the moratorium on conversion related 40 evictions authorized under P.L.1991, c.45 is scheduled to expire. :41

42 This bill would continue that moratorium for another year in 43 qualified counties. During that period, no proceeding for eviction could be instituted or a previous judgment acted upon. This 44 temporary extension of the moratorium will enable qualified 45 tenants to apply for and, if entitled, receive the protected 46 tenancy authorized under this bill. 47

49 50 -I FOUSING AND CONSTRUCTION

51 "Tenant Protection Act of 1992"

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