

2A:18-61.27 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 2A:18-61.27 et al (Condominium conversion-- Senior citizens-- remove income limitations for protective devices)

LAWS OF: 1987 **CHAPTER:** 287

Bill No: A2284

Sponsor(s): Catrillo and others

Date Introduced: March 13, 1986

Committee: **Assembly:** Housing

Senate: County and Municipal Government

Amended during passage: Yes Amendments during passage denoted by asterisks.

Date of Passage: **Assembly:** December 11, 1986

Senate: September 14, 1987

Date of Approval: October 20, 1987

Following statements are attached if available:

Sponsor statement: Yes Attached Assembly amendments, adopted 9-18-86 (with statement).

Committee statement: **Assembly** Yes

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: No

Hearings: No

See newspaper clipping file, "N.J.--Landlord and tenant--1987" in New Jersey Reference Department.

10-20-87

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 2284**STATE OF NEW JERSEY**

INTRODUCED MARCH 13, 1986

By Assemblymen CATRILLO, MILLER, GARGIULO, ARANGO,
DARIO, Assemblywoman OGDEN and Assemblyman DORIA

AN ACT to amend and supplement the "Senior Citizens and Disabled Protected Tenancy Act," approved July 27, 1981 (P. L. 1981, c. 226).

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

1 1. Section 6 of P. L. 1981, c. 226 (C. 2A:18-61.27) is amended
2 to read as follows:

3 6. The owner of any building or structure who, after the effec-
4 tive date of this amendatory and supplementary act, seeks to con-
5 vert any premises, shall, prior to his filing of the application for
6 registration of conversion with the Department of Community
7 Affairs, notify the administrative agency or officer responsible for
8 administering this amendatory and supplementary act of his in-
9 tention to so file. The owner shall supply the agency or officer with
10 a list of every tenant residing in the premises, with stamped
11 envelopes addressed to each tenant and with sufficient copies of the
12 notice to tenants and application form for protected tenancy status.
13 Within 10 days thereafter, the administrative agency or officer
14 shall notify each residential tenant in writing of the owner's in-
15 tention and of the applicability of the provisions of this amen-
16 datory and supplementary act and shall provide him with a writ-
17 ten application form. The agency's or officer's notice shall be
18 substantially in the following form:

**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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Assembly committee amendments adopted June 12, 1986.**

****—Assembly amendments adopted September 18, 1986.**

19 "NOTICE
20 THE OWNER OF YOUR APARTMENT HAS NOTIFIED
21 OF HIS INTENTION TO
(insert name of municipality)

22 CONVERT TO A CONDOMINIUM OR COOPERATIVE.
23 THE LEGISLATURE HAS PROVIDED THAT, IF YOU
24 ARE A SENIOR CITIZEN, 62 YEARS OF AGE OR
25 OLDER, OR DISABLED, YOU MAY BE ENTITLED TO
26 A PROTECTED TENANCY PERIOD. PROTECTED TEN-
27 ANCY MEANS THAT YOU CANNOT BE EVICTED
28 BECAUSE OF THE CONVERSION. YOU MAY BE
29 ELIGIBLE:

30 (1) IF YOU ARE 62, OR WILL SOON BE 62, OR IF YOU
31 ARE DISABLED; AND

32 (2) IF YOU HAVE LIVED IN YOUR APARTMENT FOR
33 TWO YEARS; AND

34 (3) IF YOUR HOUSEHOLD INCOME IS LESS THAN
35 ***[OR IF YOUR HOUSEHOLD INCOME]***
(insert current income figure for county as established by
Section 7c of this amendatory and supplementary act)

36 ***[IS HIGHER AND YOU ARE 72 OR WILL SOON BE 72, OR*
37 *YOU ARE DISABLED AND 62 OR SOON WILL BE 62]**.*

38 IF YOU WISH THIS PROTECTION, SEND IN THE AP-
39 PPLICATION FORM BY TO THE
(insert date 60 days after municipi-
pality's mailing)

40 FOR FURTHER INFOR-
(insert name and address of administrative agency)

41 MATION CALL OR
(insert phone num- (insert phone num-
ber of administra- ber of Department
tive agency) of Community Af-
fairs)

42 IF YOU DO NOT APPLY YOU CAN BE EVICTED BY
43 YOUR LANDLORD UPON PROPER NOTICE."

44 The Department of Community Affairs shall not accept any
45 application for registration of conversion for any building or
46 structure unless included in the application is proof that the
47 agency or officer notified the tenants prior to the application for
48 registration. The proof shall be by affidavit or in such other form
49 as the department shall require.

1 2. Section 7 of P. L. 1981, c. 226 (C. 2A:18-61.28) is amended
2 to read as follows:

3 7. Within 30 days after receipt of an application for protected
 4 tenancy status by a tenant, the administrative agency or officer
 5 shall make a determination of eligibility. It shall send written
 6 notice of eligibility to each senior citizen tenant or disabled
 7 tenant who:

8 a. Applied therefor on or before the date of registration of
 9 conversion by the Department of Community Affairs; and,

10 b. Qualifies as an eligible senior citizen tenant or disabled tenant
 11 pursuant to this amendatory and supplementary act; and,

12 c. Has an annual household income that does not exceed an
 13 amount equal to ***[three]*** ****[*four*]**** ****three*** times the county
 14 per capita personal income, as last reported by the Department of
 15 Labor and Industry on the basis of the U. S. Department of Com-
 16 merce's Bureau of Economic Analysis data*, or \$50,000.00, *which-*
 17 *ever is greater* ****[**; except that no income limitation shall apply
 18 to a senior citizen tenant who is 72 years of age or older on the date
 19 of the conversion recording or to a tenant who is both a senior
 19A citizen tenant and a disabled tenant**]****; and,

20 d. Has occupied the premises as his principal residence for the
 21 past two years.

22 *The department shall adjust the county per capita personal*
 23 *income to be used in subsection c. of this section if there is a differ-*
 24 *ence of one or more years between (1) the year in which the last*
 25 *reported county per capita personal income was based and (2) the*
 26 *last year in which the tenant's annual household income is based.*
 27 *The county per capita personal income shall be adjusted by the*
 28 *department by an amount equal to the number of years of the*
 29 *difference above times the average increase or decrease in the*
 30 *county per capita personal income for three years, including in*
 31 *the calculation the current year reported and the three immedi-*
 32 *ately preceding years.*

33 The administrative agency or officer shall likewise send a notice
 34 of denial with reasons to any tenant whom it determines to be
 35 ineligible. The owner shall be notified of those tenants who are
 36 determined to be eligible and ineligible.

37 The administrative agency or officer may require that the appli-
 38 cation include such documents and information as may be neces-
 39 sary to establish that the tenant is eligible for a protected tenancy
 40 status under the provisions of this amendatory and supplementary
 41 act and shall require such application to be submitted under oath.
 42 The Department of Community Affairs may by regulation adopt
 43 forms for application for protected tenancy status and notification
 44 of eligibility or ineligibility or adopt such other regulations for the

45 procedure of determining eligibility as it determines are necessary.

1 3. Section 10 of P. L. 1981, c. 226 (C. 2A:18-61.31) is amended
2 to read as follows:

3 10. In a municipality which does not have a rent control ordi-
4 nance in effect, no evidence of increased costs which are solely the
5 result of the conversion, including but not limited to any increase
6 in financing or carrying costs, and which do not add services or
7 amenities not previously provided shall be used as a basis to
8 establish the reasonableness of a rent increase under section 2f.
9 of P. L. 1974, c. 49 (C. 2A:18-61.1).

10 In a municipality which has a rent control ordinance in effect,
11 a rent increase for a tenant with a protected tenancy status, or for
12 any tenant to whom notice of termination pursuant to section 3 g.
13 of P. L. 1974, c. 49 (C. 2A:18-61.2) has been given, shall not exceed
14 the increase authorized by the ordinance for rent controlled units.
15 Increased costs which are solely the result of a conversion, includ-
16 ing but not limited to any increase in financing or carrying costs,
17 and which do not add services or amenities not previously provided
18 shall not be *passed directly through to these tenants as surcharges*
19 *or pass throughs on the rent, shall not be used as the basis for a*
20 *rent increase, and shall not be used as a basis for an increase in a*
21 *fair return or hardship hearing before a municipal rent board or*
22 *on any appeal from such determination.*

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

3 11. The administrative agency or officer shall terminate the pro-
4 tected tenancy status immediately upon finding that:

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

7 b. The tenant's annual household income, or the average of the
8 tenant's annual household income for the current year, computed
9 on an annual basis, and the tenant's annual household income for
10 the two preceding years, whichever is less, exceeds an amount
11 equal to ***[three]*** ****[*four*]**** ****three*** times the county per
12 capita personal income, as last reported by the Department of
13 Labor and Industry on the basis of the U. S. Department of Com-
14 merce's Bureau of Economic Analysis data*, or \$50,000.00, *which-*
15 *ever is greater* *****[;** *except that no income limitation shall apply to*
16 *a tenant with protected tenancy status who is 72 years of age or*
16A *older, or who is both a senior citizen tenant and a disabled ten-*
16B *ant]**.*

17 *The department shall adjust the county per capita personal in-*
18 *come to be used in subsection b. of this section if there is a differ-*

19 *ence of one or more years between (1) the year in which the last*
 20 *reported county per capita personal income was based and (2) the*
 21 *last year in which the tenant's annual household income is based.*
 22 *The county per capita personal income shall be adjusted by the*
 23 *department by an amount equal to the number of years of the*
 24 *difference above times the average increase or decrease in the*
 25 *county per capita personal income for three years, including in*
 26 *the calculation the current year reported and the three immediately*
 27 *preceding years.*

28 Upon the termination of the protected tenancy status by the ad-
 29 ministrative agency or officer, the senior citizen tenant or disabled
 30 tenant may be removed from the dwelling unit pursuant to P. L.
 31 1974, c. 49 (C. 2A:18-61.1 et seq.), except that all notice and other
 32 times set forth therein shall be calculated and extend from the date
 33 of the expiration or termination of the protected tenancy period,
 34 or the date of the expiration of the last lease entered into with the
 35 senior citizen tenant or disabled tenant during the protected
 36 tenancy period, whichever shall be later.

1 ****[5.** (New section) The administrative agency or officer ap-
 2 pointed pursuant to section 5 of P. L. 1981, c. 226 (C. 2A:18-61.26)
 3 shall have the authority to grant a tenant a protected tenancy
 4 period pursuant to the "Senior Citizens and Disabled Protected
 5 Tenancy Act," P. L. 1981, c. 226 (C. 2A:18-61.22 et seq.), and shall
 6 grant that protected tenancy period upon written request of the
 7 tenant and upon determining that:

8 a. The tenant would otherwise qualify as a senior citizen tenant
 9 or disabled tenant pursuant to P. L. 1981, c. 226 (C. 2A:18-61.22
 10 et seq.), except that the tenant failed to return the application
 11 form for protected tenancy in a timely manner pursuant to sections
 12 6 and 7 of P. L. 1981, c. 226 (C. 2A:18-61.27 and C. 2A:18-61.28);

13 b. The dwelling unit the tenant is living in has not been sold;
 14 and

15 c. The granting of the protected tenancy period as applied to
 16 the tenant would not be violative of the concepts of fundamental
 17 fairness or due process.]**

1 ****[6.]** **5.** This act shall take effect immediately.**

LANDLORD—TENANT AND CONDOMINIUMS

Increases maximum of income allowable in qualifying for senior
 citizens protected tenancy.

21 *last year in which the tenant's annual household income is based.*
 22 *The county per capita personal income shall be adjusted by the*
 23 *department by an amount equal to the number of years of the*
 24 *difference above times the average increase or decrease in the*
 25 *county per capita personal income for three years, including in*
 26 *the calculation the current year reported and the three immediately*
 27 *preceding years.*

28 Upon the termination of the protected tenancy status by the ad-
 29 ministrative agency or officer, the senior citizen tenant or disabled
 30 tenant may be removed from the dwelling unit pursuant to P. L.
 31 1974, c. 49 (C. 2A:18-61.1 et seq.), except that all notice and other
 32 times set forth therein shall be calculated and extend from the date
 33 of the expiration or termination of the protected tenancy period,
 34 or the date of the expiration of the last lease entered into with the
 35 senior citizen tenant or disabled tenant during the protected
 36 tenancy period, whichever shall be later.

1 5. (New section) The administrative agency or officer appointed
 2 pursuant to section 5 of P. L. 1981, c. 226 (C. 2A:18-61.26) shall
 3 have the authority to grant a tenant a protected tenancy period
 4 pursuant to the "Senior Citizens and Disabled Protected Tenancy
 5 Act," P. L. 1981, c. 226 (C. 2A:18-61.22 et seq.), and shall grant
 6 that protected tenancy period upon written request of the tenant
 7 and upon determining that:

8 a. The tenant would otherwise qualify as a senior citizen tenant
 9 or disabled tenant pursuant to P. L. 1981, c. 226 (C. 2A:18-61.22
 10 et seq.), except that the tenant failed to return the application
 11 form for protected tenancy in a timely manner pursuant to sections
 12 6 and 7 of P. L. 1981, c. 226 (C. 2A:18-61.27 and C. 2A:18-61.28);

13 b. The dwelling unit the tenant is living in has not been sold;
 14 and

15 c. The granting of the protected tenancy period as applied to
 16 the tenant would not be violative of the concepts of fundamental
 17 fairness or due process.

1 6. This act shall take effect immediately.

STATEMENT

This bill eliminates the income limitations in regard to protected tenancy for senior citizen tenants who are 72 years of age or older and for senior citizen tenants who are also disabled. These senior citizens should be protected from the trauma of moving because of a conversion no matter what their incomes.

The bill adjusts the maximum allowable household income for protected tenancy to compensate for the time lag between when the county per capita personal income statistics are gathered and when they are used under this statute.

The bill also assures that rents of protected tenants and tenants who have received their three-year notice to terminate in rent controlled towns do not reflect the costs of conversion. The court in *Litt v. Rutherford Rent Board*, 196 N. J. Super. 456, ruled that the costs of conversion cannot be passed through to the conversion tenants where no additional services or amenities are provided to those tenants.

Lastly, this bill establishes an administrative mechanism by which qualified senior citizens and disabled persons may apply for protected tenancy after the conversion has occurred.

LANDLORD—TENANT AND CONDOMINIUMS

Removes income limitations for tenants who are 72 or older or disabled senior citizens to receive protected status during condominium conversions.

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2284

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 12, 1986

The Assembly Housing Committee reports Assembly Bill No. 2284 favorably, with amendments.

This bill would broaden the protection afforded by the "Senior Citizens and Disabled Protected Tenancy Act," P. L. 1981, c. 226 (C. 2A:18-61.22 et seq.) by (1) eliminating the income limit on eligibility for persons over 72 years of age and for all senior citizens (62 or older) who are also disabled; (2) raising the income limit in all other cases to four times the county per-capita income average, or \$50,000.00, whichever is greater; and (3) allowing the granting of protected tenancy, under certain circumstances, to otherwise eligible applicants who are late in filing their applications.

P. L. 1981, c. 226 provides that, whenever residential rental premises consisting of five or more dwelling units or mobile home sites are converted to a condominium, cooperative, separate fee simple, or planned residential development form of ownership, a senior citizen or disabled tenant who meets certain income qualifications is entitled to a "protected tenancy period" (i.e., may remain as a tenant without purchasing under the new ownership form) for 40 years next following the date of the conversion.

Under the act, a "senior citizen" is any person 62 years of age or older, or such a person's surviving spouse if 50 years of age or older; a "disabled tenant" is one who is "totally and permanently unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment." In either case, eligibility for protected tenancy requires that the residential structure in question has been the tenant's principal residence for at least two years immediately preceding the conversion.

In addition, the senior citizen or disabled tenant must have an annual household income that does not exceed three times the per capita income of the county in which he resides, as most recently reported by the State Department of Labor on the basis of data provided by the U. S. Department of Commerce.

The amendments in this bill would:

(1) Eliminate the income criterion entirely for those senior citizens who are 72 years of age or older, or who are also disabled.

(2) Raise the income maximum to four times the county per capita income, or \$50,000.00, whichever is greater.

(3) Provide for adjustment of the county per capita income standard in any case where there is more than a year's lag between the year for which official figures are available and the year for which the applicant tenant reports his "current" income. The adjustment is to be based upon the average increase or decrease in the per capita figure over the immediately preceding three years.

The bill also adds a new section to the statute, permitting the granting of protected tenancy under certain circumstances to persons who fail to meet the application deadline. The statute currently requires (1) that the owner contemplating conversion of his property give advance notice, (2) that the relevant municipal agency notify the tenants of the owner's intention within 10 days of receiving his notice, and (3) that the tenant file for protected tenancy on or before the date when the Department of Community Affairs accepts the owner's registration of conversion. The new section would allow the waiver of the tenant's filing deadline if (1) the tenant is otherwise qualified for protected tenancy, (2) his dwelling unit has not been sold, and (3) granting protected tenancy "would not be violative of the concepts of fundamental fairness or due process."

The committee adopted an amendment, proposed by the sponsor, to introduce the provision, described above, for setting income eligibility at four times the county per capita average or \$50,000.00, whichever is greater, rather than at three times the county per capita average.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2284

[SECOND OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: MARCH 26, 1987

The Senate County and Municipal Government Committee reports favorably Assembly Bill No. 2284 2nd OCR.

Assembly Bill No. 2284 2nd OCR would alter income eligibility limits under the "Senior Citizens and Disabled Protected Tenancy Act." Under current law, the income limit which determines a tenant's eligibility is three times the latest estimate of county per capita personal income. Assembly Bill No. 2284 2nd OCR would establish the income eligibility as the greater of three times county average income, as provided above, or \$50,000.00. The bill provides for a means of adjusting the county average income figure in the event that the most currently available data predate the tenant household income figure by more than one year.

Finally, Assembly Bill No. 2284 2nd OCR would provide that rents of protected tenants and tenants who have received their three-year notice to terminate in rent controlled towns do not reflect the costs of conversion.

86 cc

ADOPTED
SEP 18 1986

LP0041
SR - LP0018
TR - LP00

Assembly Amendments
proposed by Assemblyman Catrillo 9/18/86

to

Assembly Bill No. 2284 OCR
sponsored by Assemblyman Catrillo

Amend:
Page

Sec. Line

2	1	35	Omit "OR IF YOUR HOUSEHOLD INCOME"
2	1	36-37	Omit line 36 and "OR YOU ARE DISABLED AND 62 OR SOON WILL BE 62" in line 37
3	2	13	Omit "four" insert "three"
3	2	17-19A	After "greater;" omit remainder of line 17, all of lines 18 and 19, and "tenant and a disabled tenant" in line 19A
4	4	11	Omit "four" insert "three"
4	4	14-16A	Omit ";" in line 14, all of lines 15 and 16, and "both a senior citizen and a disabled tenant" in line 16A
5	5	1-17	Omit section 5 in its entirety
5	6	1	Omit "6." insert "5."

STATEMENT

These amendments (1) delete the provisions that would eliminate any income limitation on eligibility for persons 72 and over and for those who are both senior citizens and disabled; (2) delete the committee amendments that would provide for maximum eligible income to be four (rather than three) times the county per capita income (but a maximum of \$50,000.00 is retained wherever three times the county average is less); and (3) eliminate authorization for granting protected tenancy to those who fail to meet the statutory deadline for application.

NOTE TO PRINTER:

Change bill synopsis to read as follows:

Increases maximum of income allowable in qualifying for senior citizens protected tenancy.

974.901
661



OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001

Contact: JOHN SAMERJAN
609-292-8956 OR 292-6000 EXT. 207

TRENTON, N.J. 08625

Release: TUES., OCT. 20, 1987

Governor Thomas H. Kean today signed legislation extending further protection to New Jersey tenants by strengthening the law protecting senior citizens and disabled citizens from eviction in condominium conversions.

The legislation, A-2284, sponsored by Assemblyman Charles Catrillo, raises the annual household income limit to a minimum of \$50,000 for senior and disabled citizens to attain protected tenancy status.

Under current New Jersey law, among the most protective of tenants in the nation, qualified senior citizen and disabled renters are granted a special status allowing them a 40 year protected tenancy in their rental housing should the owner convert the housing.

"I want to commend Assemblyman Catrillo for this legislation," Governor Kean stated, "which extends the protection of tenants already afforded in New Jersey by the Senior Citizens and Disabled Protected Tenancy Act and the Anti-Eviction Act. Senior citizens should not face eviction in any county simply because their income is slightly above the current limit. This legislation effectively protects them."

The legislation is effective immediately.

#