

2A:18-61.2 et al

1/12/01

LEGISLATIVE HISTORY CHECKLIST

NJSA: 2A:18-61.2 et al (Landlord-tenant--additional restrictions on eviction)

LAWS OF: 1986 CHAPTER 138

BILL NO: S1912/A1840

Sponsor(s): Jackman and Contrillo

Date Introduced: March 3, 1986

Committee: Assembly: -----

Senate: Labor, Industry and Professions

Amended during passage: Yes Senate Committee Substitute (OCR) enacted. Amendments during passage denoted by asterisks.

Date of Passage: Assembly: September 15, 1986

Senate: June 30, 1986

Date of Approval: October 29, 1986

Following statements are attached if available:

Sponsor statement: Yes

Attached: Senate amendments (adopted 6-23-86) with statement.

Committee statement: Assembly No

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: No

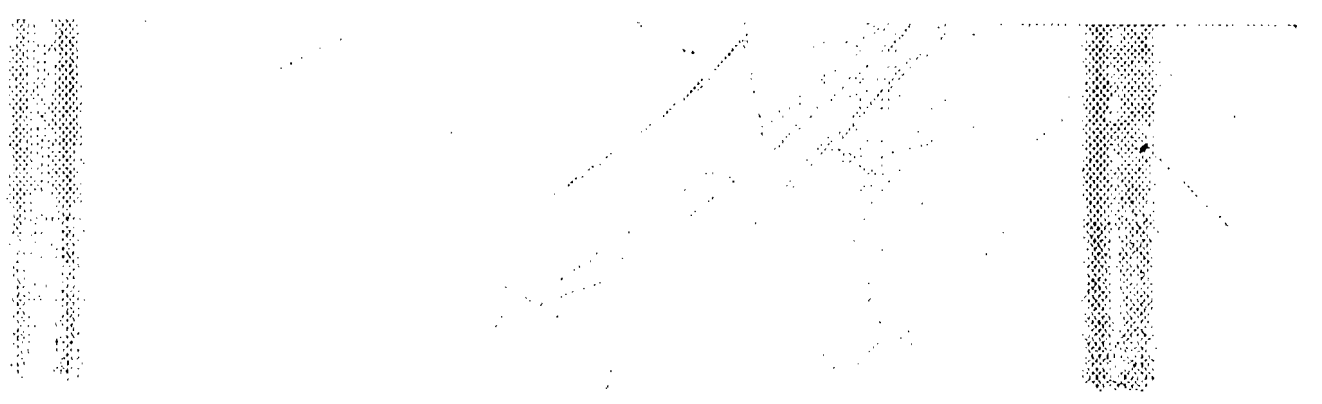
Hearings: No

See newspaper clippings--attached:

"Governor enacts law safeguarding tenants under conversions," 10-30-86 Star Ledger.

"A flood of evictions," 2-4-86 Bergen Record.

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[OFFICIAL COPY REPRINT]
SENATE COMMITTEE SUBSTITUTE FOR
SENATE No. 1912 and ASSEMBLY No. 1840
STATE OF NEW JERSEY

ADOPTED: JUNE 9, 1986

By Senator JACKMAN and Assemblyman CATRILLO

AN ACT to prevent the use of certain pretexts that cause tenants to vacate premises, amending and supplementing P. L. 1974, c. 49 and amending P. L. 1975, c. 311.

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

1 1. Section 3 of P. L. 1974, c. 49 (C. 2A:18-61.2) is amended to
2 read as follows:

3 3. No judgment of possession shall be entered for any premises
4 covered by section 2 of this act, except in the nonpayment of
5 rent under paragraph a. or f. of section 2, unless the landlord
6 has made written demand and given written notice for delivery
7 of possession of the premises. The following notice shall be re-
8 quired:

9 a. For an action alleging disorderly conduct under paragraph
10 b. of section 2, or injury to the premises under paragraph c. of
11 section 2 or any grounds under paragraph m. of section 2, **[3]** *three*
12 days' notice prior to the institution of the action for possession;

13 b. For an action alleging continued violation of rules and
14 regulations under paragraph d. of section 2, or substantial breach
15 of covenant under paragraph e. of section 2, or habitual failure to
16 pay rent, **[1]** *one* month's notice prior to the institution of the ac-
17 tion for possession;

18 c. For an action alleging any grounds under paragraph g. of
19 section 2, **[3]** *three* months' notice prior to the institution of the
20 action;

21 d. For an action alleging permanent retirement under paragraph
22 h. of section 2, **[6]** months' notice, in the case of a residential build-

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:

***—Senate amendments adopted June 23, 1986.**

23 ing and, in the case of a mobile home park,] 18 months' notice
 24 prior to the institution of the action and, provided that, where
 25 there is a lease in effect, no action may be instituted until the
 26 lease expires;

27 e. For an action alleging refusal of acceptance of reasonable
 28 lease changes under paragraph i. of section 2, [1] one months'
 29 notice prior to institution of action;

30 f. For an action alleging any grounds under paragraph l. of
 31 section 2, [2] two months' notice prior to the institution of the ac-
 32 tion and, provided that where there is a written lease in effect no
 33 action shall be instituted until the lease expires;

34 g. For an action alleging any grounds under paragraph k. of
 35 section 2, [3] three years' notice prior to the institution of action,
 36 and provided that where there is a written lease in effect, no action
 37 shall be instituted until the lease expires.

38 The notice in each of the foregoing instances shall specify in
 39 detail the cause of the termination of the tenancy and shall be
 40 served either personally upon the tenant or lessee or such person
 41 in possession by giving him a copy thereof, or by leaving a copy
 42 thereof at his usual place of abode with some member of his family
 43 above the age of 14 years, or by certified mail; if the certified letter
 44 is not claimed, notice shall be sent by regular mail.

1 2. (New section) If an owner seeks an eviction alleging permanent
 2 retirement of the premises from residential use pursuant to sub-
 3 section h. of section 2 of P. L. 1974, c. 49 (C. 2A:18-61.1) and if,
 4 pursuant to land use law, nonresidential use of the premises is not
 5 permitted as a principal permitted use or is limited to accessory,
 6 conditional or public uses, a rebuttable presumption is created that
 7 the premises are not and will not be permanently retired from resi-
 8 dential use. Residential premises that are unoccupied, boarded up
 9 or otherwise out of service shall not be deemed retired from resi-
 10 dential use unless they are converted to a principal permitted non-
 11 residential use. No tenant shall be evicted pursuant to subsection
 12 h. of section 2 of P. L. 1974, c. 49 (C.2A:18-61.1) if any State or
 13 local permit or approval required by law for the nonresidential
 14 use is not obtained. Nothing contained in this section shall be
 15 deemed to require obtaining a certificate of occupancy for the pro-
 16 posed use prior to an eviction. The detail specified in notice given
 17 pursuant to subsection d. of section 3 of P. L. 1974, c. 49 (C.
 18 2A:18-61.2) shall disclose the proposed nonresidential use to which
 19 the premises are to be permanently retired.

1 3. (New section) The Department of Community Affairs shall
 2 not approve an application for registration of conversion pursuant

3 to "The Planned Real Estate Development Full Disclosure Act,"
4 P. L. 1977, c. 419 (C. 45:22A-21 et seq.) for any premises for a
5 period of five years following the date on which any dwelling unit
6 in the premises becomes vacant after notice has been given that
7 the owner seeks to permanently board up or demolish the premises
8 or seeks to retire permanently the premises from residential use
9 pursuant to subsection g. (1) or h. of section 2 of P. L. 1974, c. 49
10 (C. 2A:18-61.1). Within five days of the date on which any owner
11 provides notice of termination to a tenant pursuant to subsection
12 g. (1) or h. of section 2 of P. L. 1974, c. 49 (C. 2A:18-61.1), the
13 owner shall provide a copy of the notice to the Department of Com-
14 munity Affairs.

1 4. (New section) In a municipality which has an ordinance regu-
2 lating rents in effect, if a dwelling unit in the premises becomes
3 vacated after notice has been given that the owner seeks to per-
4 manently board up or demolish the premises or seeks to retire per-
4A manently the premises from residential use pursuant to subsection
5 g. (1) or h. of section 2 of P. L. 1974, c. 49 (C. 2A:18-61.1) and if
6 any time thereafter an owner permits the personal occupancy of
7 the premises, the maximum rent authorized for a unit in the prem-
8 ises shall not exceed the rent that would have been authorized for
9 that unit if there had been no vacancy or change of tenancy for the
10 unit. Increased costs which occur during the period of vacancy
11 which are solely the result of the premises being vacated, closed
12 and reoccupied and which do not add services or amenities not pre-
13 viously provided, or which add new services or amenities whose
14 costs significantly reduce the affordability of the premises shall not
15 be used as a basis for any **rent** increase **[in]** **pursuant to** any
16 municipal rent regulation provision, fair return or hardship hear-
17 ing before a municipal rent board or any appeal from such deter-
18 mination. Increased costs of new services and amenities create a
19 rebuttable presumption that they significantly reduce the afford-
20 ability of the premises if they result in a doubling of the rent in-
21 creases otherwise permitted by law during the period of vacancy.
22 Within five days of the date on which any owner provides notice
23 of termination to a tenant pursuant to subsection g.(1) or h. of sec-
24 tion 2 of P. L. 1974, c. 49 (C. 2A:18-61.1), the owner shall provide
25 a copy of the notice to the municipal agency responsible for admin-
26 istering the regulation of rents in the municipality. The owner's
27 notice to the municipal agency shall also include a listing of the
28 current tenants and rents for each dwelling unit in the premises
29 unless the owner has previously submitted to the municipal agency
30 a listing which is still current.

1 5. Section 3 of P. L. 1975, c. 311 (C. 2A:18-61.6) is amended to
2 read as follows:

3 3. a. Where a tenant vacates the premises after being given a
4 notice alleging the owner seeks to personally occupy the premises
5 under *subsection l. of section 2 [1.] of P. L. 1974, c. 49 (C.*
6 *2A:18-61.1)* and the owner thereafter arbitrarily fails to personally
7 occupy the premises for a total of at least [6] *six* months, or arbi-
8 trarily fails to execute the contract for sale, but instead permits
9 personal occupancy of the premises by another tenant *or instead*
10 *permits registration of conversion of the premises by the Depart-*
11 *ment of Community Affairs pursuant to "The Planned Real Estate*
12 *Development Full Disclosure Act," P. L. 1977, c. 419 (C. 45:22A-21*
13 *et seq.),* such owner shall be liable to the former tenant in a civil
14 action for three times the damages plus the tenants' attorney fees
15 and costs.

16 b. If an owner purchases the premises pursuant to a contract
17 requiring the tenant to vacate in accordance with *subsection l. of*
18 *section 2 [1.] of P. L. 1974, c. 49 (C. 2A:18-61.1)* and thereafter
19 arbitrarily fails to personally occupy the premises for a total of
20 at least [6] *six* months, but instead permits personal occupancy of
21 the premises by an other tenant *or instead permits registration of*
22 *conversion of the premises by the Department of Community Af-*
23 *airs pursuant to P. L. 1977, c. 419 (C. 45:22A-21 et seq.),* such
24 owner-purchaser shall be liable to the former tenant in a civil ac-
25 tion for three times the damages plus the tenant's attorney fees
26 and costs.

27 c. [Where a tenant vacates the premises after being given a
28 notice alleging the owner seeks to permanently board up or
29 demolish the premises or retire the premises from residential use
30 under subsection 2g (1) or 2h of P. L. 1974, c. 49 and the owner
31 thereafter permits personal occupancy of the premises by another
32 tenant within six months of such vacancy, such owner shall be liable
33 to the former tenant in a civil action for three times the damages
34 plus the tenant's attorney fees and costs.] *If a tenant vacates a*
35 *dwelling unit after notice has been given alleging that the owner*
36 *seeks to permanently board up or demolish the premises or to re-*
37 *tire permanently the premises from residential use pursuant to*
38 *subsection g. (1) of h. of section 2 of P. L. 1974, c. 49 (2A:18-61.1)*
39 *and instead, within five years following the date on which the dwell-*
40 *ing unit or the premises becomes vacant, an owner permits resi-*
41 *dential use of the vacated premises, the owner shall be liable to the*
42 *former tenant in a civil action for three times the damages plus the*
43 *tenant's attorney fees and costs of suit.*

44 An owner of any premises where notice has been given pursuant
45 to subsection g. (1) or h. of section 2 of P. L. 1974, c. 49 (C.
46 2A:18-61.1) who subsequently seeks to sell, lease or convey the
47 property to another shall, before executing any lease, deed or con-
48 tract for such conveyance, advise in writing the prospective owner
49 that such notice was given and that the owners of the property are
50 subject to the liabilities provided in this subsection and sections 3
51 and 4 of this 1986 amendatory and supplementary act. Whoever
52 fails to so advise a prospective owner prior to the execution of the
53 contract of sale, lease or conveyance is liable to a civil penalty of
54 not less than \$2,500.00 or more than \$10,000.00 for each offense, and
55 shall also be liable in treble damages, plus attorney fees and costs
56 of suit, for any loss or expenses incurred by a new owner of the
57 property as a result of that failure. The civil penalty prescribed
58 in this subsection shall be collected and enforced by summary pro-
59 ceedings pursuant to "the penalty enforcement law" (N. J. S.
60 2A:58-1 et seq.). The Superior Court, Law Division, Special Civil
61 Part, in the county in which the rental premises are located shall
62 have jurisdiction over such proceedings. Process shall be in the
63 nature of a summons or warrant, and shall issue upon the complaint
64 of the Commissioner of the Department of Community Affairs, the
65 Attorney General, or any other person.

66 d. If a tenant vacates a dwelling unit after receiving from an
67 owner an eviction notice (1) purporting to compel by law the tenant
68 to vacate the premises for cause or purporting that if the tenant
69 does not vacate the premises, the tenant shall be compelled by law
70 to vacate the premises for cause; and (2) using a cause that is
71 clearly not provided by law or using a cause that is based upon a
72 lease clause which is contrary to law pursuant to section 6 of P. L.
73 1975, c. 310 (C. 46:8-48); and (3) misrepresenting that, under
74 the facts alleged, the tenant would be subject to eviction, the owner
75 shall be liable to the former tenant in a civil action for three times
76 the damages plus the tenant's attorney fees and costs. An owner
77 shall not be liable under this subsection for alleging any cause for
78 eviction which, if proven, would subject the tenant to eviction pur-
79 suant to N. J. S. 2A:18-53 et seq. or P. L. 1974, c. 49 (C. 2A:18-61.1
80 et seq.)

81 In any action under this section the court shall, in addition to
82 damages, award any other appropriate legal or equitable relief.
83 For the purposes of P. L. 1974, c. 49 (C. 2A:18-61.1 et seq.), the
84 term "owner" includes, but is not limited to, lessee, successor
85 owner and lessee and other successors in interest.

86 *e. An owner shall not be liable for damages pursuant to this

87 section or section 6 of this 1986 amendatory and supplementary act
 88 or subject to a more restrictive local ordinance adopted pursuant to
 89 section 8 of this 1986 amendatory and supplementary act if:

90 (1) Title to the premises was transferred to that owner by means
 91 of a foreclosure sale, execution sale or bankruptcy sale; and

92 (2) Prior to the foreclosure sale, execution sale or bankruptcy
 93 sale, the former tenant vacated the premises after receiving eviction
 94 notice from the former owner pursuant to subsection g.(1) or h. of
 95 section 2 of P. L. 1974, c. 49 (C. 2A:18-61.1); and

96 (3) The former owner retains no financial interest, direct or in-
 97 direct, in the premises. The term "former owner" shall include, but
 98 not be limited to, any officer or board member of a corporation which
 99 was the former owner and any holder of more than 5% equity in-
 100 terest in any incorporated or unincorporated business entity that
 101 was the former owner; and

102 (4) The former tenant is provided notice and rights in accor-
 103 dance with the provisions of section 6 of this 1986 amendatory and
 104 supplementary act.*

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

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

12 b. The right to return to possession of the vacated unit or, if re-
 13 turn is not available, the right to possession of affordable housing
 14 relocation in accord with the standards and criteria set forth for
 15 comparable housing as defined by section 4 of P. L. 1975, c. 311
 16 (C. 2A:18-61.7); and

17 c. In the case of a conversion, the right to a protected tenancy
 18 pursuant to the "Senior Citizens and Disabled Protected Tenancy
 19 Act." P. L. 1981, c. 226 (C. 2A:18-61.22 et seq.), if the former ten-
 20 ant would have at the time of the conversion been a senior citizen
 21 or disabled person eligible for a protected tenancy, had the former
 22 tenant not vacated the premises.

23 The 90-day notice shall disclose the tenant's rights pursuant to
 24 this section and the method for the tenant's response to exercise
 25 these rights. A duplicate of the notice shall be transmitted within

26 the first five days of the 90-day period to the rent board in the mu-
 27 nicipality or the municipal clerk if there is no board. Notwithstand-
 28 ing the provisions of **subsection c. of** section 3 of P. L. 1975, c. 311
 29 (C. 2A:18-61.6), damages awarded shall not be trebled where pos-
 30 session has been returned in accord with this section*; *nor shall*
 30A *any damages be awarded as provided for in subsection e. of section*
 30B *3 of P. L. 1975, c. 311 (C. 2A:18-61.6)**. An owner who fails to pro-
 31 vide a former tenant a notice of intention to return to residential use
 32 pursuant to this section is liable to a civil penalty of not less than
 33 \$2,500.00 or more than \$10,000.00 for each offense, and shall also
 34 be liable in treble damages, plus attorney fees and costs of suit,
 35 for any loss or expenses incurred by a former tenant as a result
 36 of that failure. The penalty prescribed in this section shall be col-
 37 lected and enforced by summary proceedings pursuant to "the pen-
 38 alty enforcement law" (N. J. S. 2A:58-1 et seq.). The Superior
 39 Court, Law Division, Special Civil Part, in the county in which the
 40 rental premises are located shall have jurisdiction over such pro-
 41 ceedings. Process shall be in the nature of a summons or warrant,
 42 shall issue upon the complaint of the Commissioner of the Depart-
 43 ment of Community Affairs, the Attorney General, or any other
 44 person. No owner shall be liable for a penalty pursuant to this
 45 section if the unit is returned to residential use more than five years
 46 after the date the premises are vacated or if the owner made every
 47 reasonable ***[and timely]*** effort to locate the former tenant and
 48 provide the notice, including, but not limited to, the employment of a
 49 qualified professional locator service where no return receipt is
 50 obtained from the former tenant.

51 In any action under this section the court shall, in addition to
 52 damages, award any other appropriate legal or equitable relief.

1 7. Section 4 of P. L. 1974, c. 49 (C. 2A:18-61.3) is amended to
 2 read as follows:

3 4. a. No landlord may evict, or fail to renew any lease of any
 4 premises covered by section 2 of this act except for good cause as
 5 defined in section 2.

6 b. *A person iwho was a tenant of a landlord in premises covered*
 7 *by section 2 of P. L. 1974, c. 49 (C. 2A:18-61.1) may not be removed*
 8 *by any order or judgment for possession from the premises by the*
 9 *owner's or landlord's successor in ownership or possession except:*

10 (1) *For good cause in accordance with the requirements which*
 11 *apply to premises covered pursuant to P. L. 1974, c. 49 (C.*
 12 *2A:18-61.1 et seq.); or*

13 (2) *For proceedings in premises where federal law supersedes*
 14 *applicable State law governing removal of occupants; or*

15 (3) *For proceedings where removal of occupants is sought by an*

16 authorized State or local agency pursuant to eminent domain or
 17 code enforcement laws and which comply with applicable reloca-
 18 tion laws pursuant to the "Relocation Assistance Law of 1967," P. L.
 19 1967, c. 79 (C. 52:31B-1 et seq) and the "Relocation Assistance
 20 Act," P. L. 1971 c. 362 (C. 20:4-1 et seq.).

21 Where the owner's or landlord's successor in ownership or pos-
 22 session ***[may by law terminate]*** *is not bound by* the lease en-
 23 tered into with the former tenant and *may* offer a different lease
 24 to the former tenant, nothing in this 1986 amendatory and supple-
 25 mentary act shall limit that right.

1 8. (New section) Nothing contained in this 1986 amendatory and
 2 supplementary act shall authorize any civil action to require that
 3 dwelling units remain vacant, shall limit any defense or challenge
 4 to evictions that is otherwise provided by law or shall prohibit any
 5 provision of a local ordinance which is not less restrictive*, *except*
 6 *as prohibited pursuant to subsection e. of section 3 of P. L. 1975, c.*
 7 *311 (C. 2A:18-61.6)* **[Local]*** *Except as provided in subsection*
 8 *e. of section 3 of P. L. 1975, c. 311 (C. 2A:18-61.6), local** ordinances
 9 may facilitate the objectives of this 1986 amendatory and supple-
 10 mentary act pertaining to premises where tenants have received
 10A notice pursuant to subsection g. (1) or h. of section 2 of P. L. 1974,
 10B c. 49 (C. 2A:18-61.1), including, but not limited to, any ordinance
 10C intended to:*

11 a. Require owners to obtain and register tenants' current and
 12 forwarding addresses;

13 b. Provide to tenants and former tenants who have received
 14 notice of termination pursuant to subsection g.(1) or h. of section
 15 2 of P. L. 1974, c. 49 (C. 2A:18-61.1) basic information on their
 16 relevant rights;

17 c. Provide a municipal registry for former tenants to file cur-
 18 rent addresses for receiving notice; and

19 d. Assist in locating former tenants who become entitled to re-
 20 ceive notice pursuant to section 6 of this 1986 amendatory and
 21 supplementary act.

1 9. (New section) P. L. 1974, c. 49 (C. 2A:18-61.1 et seq.) and this
 2 1986 amendatory and supplementary act shall be liberally con-
 3 strued to effectuate the purposes thereof.

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

2 a. Acute State and local shortages of supply and high levels of
 3 demand for residential dwellings have motivated removal of blame-
 4 less tenants in order to directly or indirectly profit from conversion
 5 to higher income rental or ownership interest residential use.

6 b. This has resulted in unfortunate attempts to displace tenants
 7 employing pretexts, stratagems or means other than those provided

8 pursuant to the intent of State eviction laws designated to fairly bal-
9 ance and protect rights of tenants and landlords.

10 c. These devices have circumvented the intent of current State
11 eviction laws by failing to utilize available means to avoid displace-
12 ment such as: protected tenancies; rights to purchase; rent afford-
13 ability protection; full disclosures relevant to eviction challenges;
14 and, stays of eviction where relocation is lacking.

15 d. It is in the public interest of the State to maintain for citizens
16 the broadest protections available under State eviction laws to
17 avoid such displacement and resultant loss of affordable housing
18 which, due to housing's uniqueness as the most costly and difficult
19 to change necessity of life, causes overcrowding, unsafe and un-
20 sanitary conditions, blight, burdens on community services, wasted
21 resources, homelessness, emigration from the State and personal
22 hardship which is particularly severe for vulnerable seniors, the
23 disabled, the frail, minorities, large families and single parents.

24 e. Such personal hardship includes, but is not limited to: eco-
25 nomic loss, time loss, physical and emotional stress and in some
26 cases severe emotional trauma, illness, homelessness or other irre-
27 parable harm resulting from strain of eviction controversy; relo-
28 cation search and moving difficulties; anxiety caused by lack of in-
29 formation, uncertainty, and resultant planning difficulty; employ-
30 ment, education, family and social disruption; relocation and empty
31 unit security hazards; relocation to premises of less affordability,
32 capacity, accessibility and physical or environmental quality; and
33 relocation adjustment problems particularly of the blind or other
34 disabled citizens.

35 f. It is appropriate to take legislative notice of relevant legisla-
36 tive findings adopted pursuant to section 2 of the "Senior Citizens
37 and Disabled Protected Tenancy Act," P. L. 1981, c. 226 (C.
38 2A:18-61.23) and section 2 of the "Prevention of Homelessness
39 Act (1948)," P. L. 1984, c. 180 (C. 52:27D-281) which, with the
40 findings of this section have relevance to this 1986 amendatory and
41 supplementary act and P. L. 1974, c. 49 (C. 2A:18-61.1 et seq.).

42 g. This 1986 amendatory and supplementary act is adopted in
43 order to protect the public health, safety and welfare of the citizens
44 of New Jersey.

1 11. This act shall take effect immediately.

LANDLORD-TENANT AND CONDOMINIUMS

Prevents landlords from using certain legal pretexts to evict ten-
ants in certain cases.

ASSEMBLY, No. 1840

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 3, 1986

By Assemblymen CATRILLO, ARANGO, GARGIULO, DARIO, Assemblywoman DONOVAN, Assemblyman DiGAETANO, Assemblywoman CRECCO, Assemblymen SCHUBER, ZIMMER, MARTIN and BOCCHINI

AN ACT to prevent the use for residential purposes of certain vacated premises, amending P. L. 1975, c. 311.

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

1 1. Section 3 of P. L. 1975, c. 311 (C. 2A:18-61.6) is amended to
2 read as follows:

3 3. a. Where a tenant vacates the premises after being given a
4 notice alleging the owner seeks to personally occupy the premises
5 under section 21. of P. L. 1974, c. 49 and the owner thereafter arbitrarily fails to personally occupy the premise for a total of at least
6 six months, or arbitrarily fails to execute the contract for sale, but
7 instead permits personal occupancy of the premises by another
8 tenant, such owner shall be liable to the former tenant in a civil
9 action for three times the damages plus the tenant's attorney fees
10 and costs.

12 b. If an owner purchases the premises pursuant to a contract
13 requiring the tenant to vacate in accordance with section 21. of P. L.
14 1974, c. 49 and thereafter arbitrarily fails to personally occupy the
15 premises for a total of at least six months, but instead permits personal occupancy of the premises by another tenant, such owner-
16 purchaser shall be liable to the former tenant in a civil action for
17 three times the damages plus the tenant's attorney fees and costs.
18

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.

19 c. [Where a tenant vacates the premises after being given a
20 notice alleging the owner seeks to permanently board up or de-
21 molish the premises or retire the premises from residential use un-
22 der subsection 2g (1) or 2h of P. L. 1974, c. 49 and the owner there-
23 after permits personal occupancy of the premises by another ten-
24 ant within six months of such vacancy, such owner shall be liable
25 to the former tenant in a civil action for three times the damages
26 plus the tenants' attorney fees and costs.] *No structure, or dwell-*
27 *ing unit therein, which becomes vacant after notice has been given*
28 *pursuant to subsection g. (1) of section 2 of P. L. 1974, c. 49 (C.*
29 *2A:18-61.1) that the owner seeks to permanently board up or de-*
30 *molish that structure shall thereafter be used for residential pur-*
31 *poses, and an owner who subsequently permits personal occupancy*
32 *of any premises in that structure shall be liable to the former ten-*
33 *ant in a civil action for three times the damages plus the former*
34 *tenant's attorney fees and costs. Any owner who, having given*
35 *such notice, subsequently seeks to sell or convey the property to an-*
36 *other shall, before executing any deed or contract of sale for such*
37 *conveyance, advise in writing the prospective successor in owner-*
38 *ship that such notice was given and that the property is subject*
39 *to the restriction provided in this subsection. Whoever fails to so*
40 *advise a prospective purchaser is guilty of a crime of the fourth*
41 *degree, and shall also be liable in treble damages, plus attorney*
42 *fees and costs of suit, for any loss or expense incurred by a pur-*
43 *chaser of the property as a result of that failure.*

44 d. *No structure, or dwelling unit therein, which becomes vacant*
45 *after notice has been given pursuant to subsection h. of section 2*
46 *of P. L. 1974, c. 49 (C. 2A:18-61.1) that the owner seeks to retire*
47 *the structure from residential use shall at any time during the*
48 *five years next following the date upon which the structure and*
49 *all dwelling units therein become vacant be used for residential*
50 *purposes, and an owner who within that time permits personal oc-*
51 *cupancy of any premises in that structure shall be liable to the*
52 *former tenant in a civil action for three times the damages plus the*
53 *former tenant's attorney fees and costs of suit. Any owner who,*
54 *having given such notice, subsequently seeks at any time during*
55 *the five-year period prescribed in this subsection to sell or convey*
56 *the property to another shall, before executing any deed or contract*
57 *of sale for such conveyance, advise in writing the prospective suc-*
58 *cessor in ownership that such notice was given and that the prop-*
59 *erty is subject to the restriction provided in this subsection. Who-*
60 *ever fails to so advise a prospective purchaser is guilty of a crime*
61 *of the fourth degree, and shall also be liable in treble damages, plus*
62 *attorney fees and costs of suit, for any loss or expense incurred by*
63 *a purchaser of the property as a result of that failure.*

1 2. This act shall take effect immediately.

A1840
~~S#912~~
(1986-7)

Sponsor's STATEMENT

This bill would prevent apartment house owners from using certain legal pretexts to eject tenants in order to make the building available for conversion to condominiums or cooperatives, or for subsequent rental at more lucrative rates.

Existing law allows a landlord to terminate a tenancy on the grounds that he intends to retire the premises from residential use. The only penalty attached to use of this ground as a pretext is that the displaced tenant may sue for treble damages if the landlord subsequently allows another tenant to occupy the premises within six months. This bill would require that, when retirement of the premises is alleged to terminate the tenancy, the building remain out of residential use (whether rental or otherwise) for at least five years, subject to the displaced tenant's right to sue for treble damages if it is sooner reoccupied. The bill also provides that, if the landlord who claimed this ground for removing his tenants seeks to sell the building within the five-year period, he must advise the prospective purchaser of the restriction on residential use. Failure to so advise the prospective purchaser in writing would be a crime of the fourth degree, and would subject the seller to suit for treble damages if the buyer incurs loss as a result of not being so advised.

Another ground upon which a landlord may legally terminate a tenancy is that he plans to demolish or permanently board up the building. This bill provides that a building vacated on that ground may never thereafter be used for residential purposes. The penalties for a landlord who permits such use, or who sells the building without notifying the prospective purchaser of the restriction, are the same as in the foregoing.

LANDLORD-TENANT AND CONDOMINIUMS

Restricts use cert. vac. premises

Forbids or restricts the use of a building for residential purposes after residential tenants have been ejected on grounds of its impending demolition or retirement from residential use.

Sponsor's STATEMENT

This bill would prevent landlords from using certain legal pretexts to eject tenants in order to make the building available for conversion to condominiums or cooperatives, or for subsequent rental at more lucrative rates.

Existing law allows a landlord to terminate a tenancy on the grounds that he intends to retire the premises from residential use. The only penalty attached to the use of this ground as a pretext is that the displaced tenant may sue for treble damages if the landlord subsequently allows another tenant to occupy the premises within six months. Another ground upon which a landlord may legally terminate a tenancy is that he plans to demolish or permanently board up the building. There have been many widely reported cases of use and abuse of these grounds. This bill would require that, when retirement of the premises, or its demolition or boarding up is alleged to terminate a tenancy in counties of the first class the building remain out of residential use (whether rental or otherwise) for at least five years after the last vacancy; displaced tenants have the right to sue for treble damages if the building is reoccupied for residential purposes within five years.

The bill exempts from this five-year restrictions any structure owned by a public agency or private nonprofit corporation or association or limited-dividend corporation that is improving or rehabilitating it for purposes of providing low and moderate income housing.

In order to reduce the economic incentive for causing such vacancies the bill prohibits, with certain exceptions, the registration as a "planned unit development" under P. L. 1977, c. 419 of any premises which have been vacated on any of these grounds, for a period of five years after their becoming vacant. It also requires that if rent-controlled units are vacated on any of these grounds, and are subsequently reoccupied by residential tenants, the rents upon reoccupancy shall not exceed what they would have been without the interruption or residential occupancy.

The bill also provides that if one of these grounds for removing tenants is claimed and a landlord seeks to sell or lease the building within a five year period, the seller must advise the prospective purchaser or lessor, in writing, of these restrictions. Failure to do so would be an offense punishable by a penalty of from \$2,500.00 to \$10,000.00, and would also subject the seller to suit for treble damages if the buyer or lessor incurs loss as a result of not being so advised.

LANDLORD — TENANT & CONDOMINIUMS

Forbids or restricts, in first-class counties, the use of a building for residential purposes after residential tenants have been ejected on grounds of its impending demolition or retirement from residential use.

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1912 and ASSEMBLY, No. 1840
[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: JUNE 9, 1986

This bill addresses abuses that tenants suffer when a landlord evicts them because he seeks to permanently board up or demolish his building or seeks to retire permanently the building from residential use and then subsequently allows residential occupancy of the building.

This bill extends from six months to 18 months the notice requirement for eviction when a building is to be permanently retired from residential use (section 1 of the bill). It also establishes a rebuttable presumption that the premises is not being permanently retired from residential use if, pursuant to land use law, nonresidential use is not permitted (section 2 of the bill).

If the owner of a residential building which was vacated because he sought to permanently board up or demolish that building or sought to retire permanently that building from residential use and subsequently permits residential occupancy within five years of that building becoming vacant, the owner would be liable to the former tenants in a civil action for three times the damages plus the former tenants' attorney fees and costs. If the owner attempts to sell or lease the building during the five-year period, he must advise the prospective purchaser or lessee in writing of the restrictions on the property. Failure to so advise would be an offense punishable by a civil penalty of not less than \$2,500.00 nor more than \$10,000.00 for each offense and would also subject the seller or lessor to liability for treble damages, plus attorney fees and costs, for any loss or expenses incurred because of not being so advised (section 5 of the bill). Also, if such a building in a rent controlled area is vacated and subsequently reoccupied by residential tenants, the rents upon reoccupancy shall not exceed what they would have been without the interruption of residential occupancy (section 4 of the bill). In addition, the Department of Community Affairs is prohibited from registering such a building during the five-year period as a planned real estate development (a cooperative or condominium conversion) pursuant to "The Planned Real Estate Development Full

Disclosure Act" (section 3 of the bill). The owner of such a building is required to inform any prospective purchaser or lessee that the building cannot be converted to a planned real estate development and that rent control will continue as before if the building is reoccupied. If he does not so advise, he would be subject to the same penalty and liabilities that he would face for failure to inform the prospective purchaser or lessee of the five-year restriction (section 5 of the bill).

If the owner of such a building returns it to residential use, he shall give 90-day advance notice of such a decision to the former tenants; offer them the right to return to their vacated units or, if not available, offer comparable housing; and, in the case of a conversion, provide protected tenancy to the senior citizens and disabled who would have qualified for that protected tenancy before eviction. An owner who fails to provide a former tenant with this notice would be liable for a penalty of not less than \$2,500.00 or more than \$10,000.00 for each offense, and liable in treble damages, plus attorney fees and costs of suit, for any loss or expenses incurred by a former tenant as a result of that failure. The penalty will not apply after the five-year restriction has passed or if the former tenant cannot be found after a reasonable search (section 6 of the bill). In addition, the owner will not be liable for treble damages under section 5 of the bill if he notifies the former tenant of the return to residential use (section 6 of the bill).

The bill also provides that a landlord, who causes a tenant to vacate by means of a notice or lease clause which is contrary to law and which misrepresents that the tenant is subject to eviction, is liable to the former tenant for treble damages plus attorney fees and costs.

Finally, local ordinances may facilitate the objectives of this bill and will apply if they are not less restrictive.

~~Senate~~ Amendments
 (Proposed by Senator Lesniak)
 to

ADOPTED
 JUN 23 1986
 Senate Committee Substitute for
 Senate Bill No. 1912 and (Type copy)
 Assembly Bill No. 1840(OCR)
 (Sponsored by Senator Jackman and
 Assemblyman Catrillo)

Amend:

| Page | Sec. | Line |
|------|------|------|
|------|------|------|

(4) The former tenant is provided notice and rights in accordance with the provisions of section 6 of this 1986 amendatory and supplementary act."

| | | |
|---|---|----|
| 9 | 6 | 33 |
|---|---|----|

After "provisions of" insert "subsection c. of"

| | | |
|---|---|----|
| 9 | 6 | 35 |
|---|---|----|

After "section" insert "; nor shall any damages be awarded as provided for in subsection e. of section 3 of P.L. 1975, c. 311 (C.2A:18-61.6)"

| | | |
|---|---|----|
| 9 | 6 | 55 |
|---|---|----|

Omit "and timely"

| | | |
|----|---|----|
| 11 | 7 | 24 |
|----|---|----|

Omit "may by law terminate" insert "is not bound by"

| | | |
|----|---|----|
| 11 | 7 | 25 |
|----|---|----|

After "and" insert "may"

| | | |
|----|---|---|
| 11 | 8 | 6 |
|----|---|---|

After "restrictive" insert ", except as prohibited pursuant to subsection e. of section 3 of P.L. 1975, c. 311 (C.2A:18-61.6)"

| | | |
|---------------|--------------|--------------|
| 11 | 8 | 6 |
|---------------|--------------|--------------|

Omit "Local" insert "Except as provided in subsection e. of section 3 of P.L. 1975, c. 311 (C.2A:18-61.6), local"

Statement

These amendments make technical changes to section 4 of the bill to clarify that the increase referred to is a rent increase; and provide that the purchaser (or his successor) of premises at a foreclosure sale, execution sale or bankruptcy sale shall not be liable for the damages pursuant to sections 5 and 6 of this bill (when the former owner of the premises sought to retire permanently the premises from residential use or to permanently board

Senate Amendments
(Proposed by Senator Lesniak)

ADO. 1111
JUN 14 1966

to

Senate Committee Substitute for
Senate Bill No. 1912 and (Typed Copy)
Assembly Bill No. 1840 (OCR)
(Sponsored by Senator Jackman and
Assemblyman Catrillo)

Amend:

| Page | Sec. | Line |
|------|------|---|
| | | up or demolish the premises and evicted the tenants) if the former owner is not the purchaser or does not have any interest therein and the former tenants are provided notice and rights in accordance with section 6 of the bill. |



OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001

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

TRENTON, N.J. 08625

Release: WED., OCT. 29, 1986

Governor Thomas H. Kean today signed into law sweeping protection for New Jersey tenants from the threat of eviction in real estate conversion projects.

Governor Kean, in a public signing ceremony at Jersey City State College pledged that, "progress can't come at the expense of the people who make up our towns and cities. We will never allow our people to be pushed into the streets."

Scs S-1912/A-1840, sponsored by Assemblyman Charles Catrillo, R-Hudson and Senator Chris Jackman, D-Hudson significantly strengthens the existing Anti-Eviction Act by providing more protection for tenants against inequitable displacement by landlords.

Current law allows a landlord to evict tenants if he can claim to be taking a building off the residential market in six months. The new law allows for an 18 month prior notice and the landlord must tell the State how the building will be used.

Further, the new law provides stiff penalties for those trying to circumvent it, including the right for tenants to sue for triple damages, court costs, and legal fees.

The legislation is effective immediately.

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Trenton, N. J.

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