

54:4-1.2 et al.

LEGISLATIVE HISTORY CHECKLIST

NJSA: 54:4-1.2 to 54:4-1.9;54:32B-8.6

('Manufactured Home Taxation Act')

LAWS OF: 1983

CHAPTER: 400

Bill No: A3600

Sponsor(s): Riley and others

Date Introduced: June 13, 1983

Committee: Assembly: -----

Senate: Labor, Industry and Professions

Amended during passage: Yes according to Governor's recommendations

Amendments denoted by asterisks

Date of Passage:

Assembly: June 27, 1983 Re-enacted 12-8-83

Senate: September 15, 1983 Re-enacted 12-15-83

Date of Approval: December 22, 1983

Following statements are attached if available:

Sponsor statement:

Yes Also attached: Assembly amendments, adopted 6-20-83 (with statement)

Committee statement:

Assembly

No

Senate

Yes

Fiscal Note:

No

Veto Message:

Yes

Message on Signing:

No

Following were printed:

Reports:

Yes

Hearings:

No

(over)

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974.90 New Jersey. Mobil Home Taxation Commission.
H842 Report... June, 1983. Trenton, 1983.
1983b

974.90 New Jersey. Mobil Home Study Commission.
H842 Report... October, 1980. Trenton, 1980.
1980a

974.90 New Jersey. Mobile Home study Commission.
H842 Public hearing on financing of mobile homes and
1979 mobile home land development, held 1-24-79. Trenton, 1979.

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[THIRD OFFICIAL COPY REPRINT]
ASSEMBLY, No. 3600

STATE OF NEW JERSEY

INTRODUCED JUNE 13, 1983

By Assemblymen RILEY, WOLF, DOYLE, MARSELLA, KARCHER,
HENDRICKSON, ROD and Assemblywoman COOPER

AN ACT concerning the taxation of manufactured homes **supplementing Title 54 of the Revised Statutes **[and]** **,* amending P. L. 1980, c. 105* **and repealing sections 1 and 2 of P. L. 1981, c. 385**.*

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

1 1. **(New section)** This act shall be known and may be cited as
2 the "Manufactured Home Taxation Act."

1 2. **(New section)** The Legislature finds and determines that:
2 a. It is in the public interest that the Legislature address the
3 difficult questions raised in litigation over the tax status of manu-
4 factured homes;

5 b. Manufactured homes located in mobile home parks receive
6 fewer public services ****[]**** than manufactured homes or other
7 single family dwelling units located on privately owned lots, and
8 thus the former homes occasion a lower level of public expenditures
9 than the latter homes;

10 c. With respect to purchaser financing, manufactured homes
11 located in mobile home parks are not treated in the same manner as
12 manufactured homes located on private lots owned by the home-
13 owner or other residential property, and thus are not typically
14 financed through mortgage arrangements, but are typically financed
15 through installment credit;

16 d. Because of the differences in siting between manufactured
17 homes in mobile home parks and manufactured homes otherwise

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 amendments adopted June 20, 1983.

**—Senate committee amendments adopted June 30, 1983.

***—Assembly amendments adopted in accordance with Governor's recom-
mendations November 21, 1983.

18 located, it is difficult to equate the two for property title purposes
 18A *, and thus for the purposes of property tax enforcement*;

19 e. The Legislature has provided that certain property owned by
 20 public utilities which would otherwise constitute real property for
 21 the purposes of taxation is not real property for such purposes,
 22 and has provided an alternate means of ensuring that the owner of
 23 such property is responsible for reasonable payment for public
 24 services which that owner receives;

25 f. The factors which distinguish manufactured homes in mobile
 26 home parks from other dwelling units warrants a distinction
 27 between the former and the latter which is analogous to the
 28 distinction drawn in the case of public utilities property;

29 g. It is necessary to draw that distinction in a fair and equitable
 30 manner, which will not penalize the owners of the manufactured
 31 homes located in mobile home parks, nor absolve them of their
 32 responsibility to pay for the public services they receive;

33 h. It is further necessary to ensure parity, where taxation is
 34 concerned, between manufactured homes situated outside mobile
 35 home parks and other similar dwelling units;

36 i. The land and improvements thereto which together constitute
 37 a mobile home park*, including those improvements added as part
 37A of the private provision of otherwise public services,* are subject
 38 to taxation as real property, and the revenues derived from the
 39 assessment and levy of these real property taxes contribute to the
 40 defrayal of the costs of public services provided the owner of the
 41 park and lessees of sites in that park; **and**

42 j. It is appropriate and necessary to provide a method**[, in lieu
 43 of real property taxation,]** by which a municipality may receive
 44 reasonable payment for services provided the owners of manufac-
 45 tured homes in mobile home parks, the cost of which services is
 46 not defrayed by real property tax revenues.

1 3. *(New section)* As used in this act:

2 a. "Commissioner" means the Commissioner of the Department
 3 of Community Affairs;

4 b. "Cooperative" means a housing corporation or association
 5 which entitles the holder of a share or membership interest thereof
 6 to possess and occupy for dwelling purposes a house, apartment,
 7 manufactured home or other unit of housing owned by the corpora-
 8 tion or association, or to purchase a unit of housing constructed or
 9 erected by the corporation or association;

10 c. "Grade" means a reference plane consisting of the average
 11 finished ground level adjacent to a structure, building, or facility
 12 at all visible exterior walls;

13 d. "Manufactured home" means a unit of housing which:

14 (1) Consists of one or more transportable sections which are
15 substantially constructed off site and, if more than one section,
16 are joined together on site;

17 (2) Is built on a permanent chassis;

18 (3) Is designed to be used, when connected to utilities, as a
19 dwelling on a permanent or nonpermanent foundation; and

20 (4) Is manufactured in accordance with the standards promul-
21 gated for a manufactured home by the secretary pursuant to the
22 "National Manufactured Housing Construction and Safety Stan-
23 dards Act of 1974," Pub. L. 93-383 (42 U.S.C. § 5401 et seq.) and
24 the standards promulgated for a manufactured or mobile home by
25 the commissioner pursuant to the "State Uniform Construction
26 Code Act," P. L. 1975, c. 217 (C. 52:27D-119 et seq.);

27 "Manufactured home" also means and includes any unit of
28 housing manufactured before the effective date of the standards
29 promulgated by the secretary or, as appropriate, by the commis-
30 sioner, but which otherwise meets the criteria set forth in **this**
31 **subsection**;

32 e. "Mobile home park" means a parcel of land, or two or more
33 contiguous parcels of land, containing no fewer than 10 sites
34 equipped for the installation of manufactured homes, where these
35 sites are under common ownership and control*, *other than as a*
36 *cooperative**, for the purpose of leasing each site to the owner of a
37 manufactured home for the installation thereof, and where the
38 owner or owners provide services, which are provided by the mu-
39 nicipality in which the park is located for **property owners outside**
40 **the park, which services may include but shall not be limited to:**

41 (1) The construction and maintenance of streets;

42 (2) Lighting of streets and other common areas;

43 (3) Garbage removal;

44 (4) Snow removal; and

45 (5) Provisions for the drainage of surface water from home
46 sites and common areas.

47 A parcel, or any contiguous parcels, of land which contain, on
48 the effective date of this act, no fewer than three sites equipped
49 for the installation of manufactured homes, and which otherwise
50 conform to the provisions of this subsection, shall qualify as a
51 mobile home park for the purposes of this act;

52 f. "Municipal service fee" means a fee imposed on ****[a]**** manu-
53 factured ****[home]**** ****homes**** installed in a mobile home park
54 for the purpose of reasonable payment for services rendered the
55 ****[owner]**** ****owners**** of the manufactured ****[home]****

56 ****homes**** by the municipality or any other local taxing authority
 57 established pursuant to an ordinance of the municipal governing
 57A body******, and for the reimbursement of the municipality for pay-
 57B ments made thereby to the school district in which the mobile home
 57C park is located for educational costs occasioned by pupils residing
 57D in that park******;

58 g. "Nonpermanent foundation" means any foundation consisting
 59 of nonmortared blocks, wheels, a concrete slab, runners, or any
 60 combination thereof, or any other system approved by the commis-
 61 sioner for the installation and anchorage of a manufactured home
 62 on other than a permanent foundation;

63 h. "Off site construction of a manufactured home or section
 64 thereof" means the construction of that home or section at a
 65 location other than the location at which the home is to be installed;

66 i. "On site joining of sections of a manufactured home" means
 67 the joining of those sections at the location at which the home is to
 68 be installed;

69 j. "Permanent foundation" means a system of support installed
 70 either partially or entirely below grade, which is:

71 (1) Capable of transferring all design loads imposed by or upon
 72 the structure into soil or bedrock without failure;

73 (2) Placed at an adequate depth below grade to prevent frost
 74 damage; and

75 (3) Constructed of any material approved by the commissioner;

76 k. "Runners" means a system of support consisting of poured
 77 concrete strips running the length of the chassis of a manufactured
 78 home under the lengthwise walls of that home;

79 ~~l. "Secretary" means the Secretary of the United States Depart-~~
 80 ~~ment of Housing and Urban Development; and~~

81 m. "Trailer" means a recreational vehicle, travel trailer, camper
 82 or other transportable, temporary dwelling unit, with or without
 83 its own motor power, designed and constructed for travel and rec-
 84 reational purposes to be installed on a nonpermanent foundation if
 85 installation is required.

1 4. **(New section)** a. Except as otherwise provided for in sub-
 2 section b. of this section ****and in P. L. 1982, c. 220 (C.*
 3 *54:4-23a)****, a manufactured home shall be subject to taxation
 4 as real property under chapter 4 of Title 54 of the Revised Statutes
 4A when that home:

5 ****[(a)]**** ****(1)**** Is affixed to the land on which it is
 6 sited by a permanent foundation; or

7 ****[(b)]**** ****(2)**** Is affixed to that land by a nonperma-
 8 nent foundation and connected to utility systems in such man-

9 ner as to render the home habitable as a dwelling unit on a
9A permanent basis.

10 b. A manufactured home which is installed in a mobile home
11 park shall not be subject to taxation as real property.

12 ***[c.** A manufactured home installed in a mobile home park which
13 is converted to a condominium, as defined in P. L. 1969, c. 257
14 (C. 46:8B-1 et seq.), shall be assessed and taxed as real property
15 in the manner provided by law for a condominium unit.

16 d. A mobile home park which is converted into a cooperative,
17 and all manufactured homes installed in that park on or after the
18 date of such conversion, shall be assessed and taxed as real prop-
19 erty in the manner provided by law for a cooperative.]*

1 ***[5.** A manufactured home, when first offered for sale, shall be
2 subject to the sales tax imposed by the "Sales Tax and Use Tax
3 Act," P. L. 1966, c. 30 (C. 54:32B-1 et seq.) at the rate prescribed
4 by that act, which rate shall be applied to 55% of the sale price
5 of the home. Upon any subsequent sale of a manufactured home
6 installed in a mobile home park, that home shall be subject to the
7 sales tax in the manner and to the extent provided for in this
8 section.]*

1 ***[6.]** *5. (New section)* a. A municipality, by ordinance, shall
2 provide for the imposition of an annual ****municipal**** service
3 fee****[**, in lieu of real property taxation**]**, on ****[each]**** manu-
4 factured ****[home]**** ****homes**** installed in a mobile home park
5 within its corporate boundaries. In setting this fee, the municipal
6 *****[governing]***** *****governing***** body shall take into account
7 the *****[extend]***** *****extent***** to which the taxes assessed and
8 levied pursuant to Title 54 of the Revised Statutes against the land
9 and improvements thereto which together constitute the mobile
10 home park in which the ****[home is]**** ****homes are**** installed
11 **defray the costs of services provided**, or paid for,** by the ma-**
11A **municipality**, or **provided by any** other appropriate taxing**
11B **authority**, for **[the park owner and]** lessees of sites in the**
11C ****[parks]** **park**. ***The ordinance imposing the municipal**
11D **service fee shall provide for the proration of that fee, as necessary,**
11E **in order to account for vacancies in the mobile home park.*****

12 b. The municipal service fee shall be collected from each owner
13 of a manufactured home on a monthly basis by the owner of the
14 mobile home park in which the home is installed. The park owner
15 shall issue a receipt to the homeowner upon each collection.

16 The park owner shall transmit the fees collected, in a manner
17 set forth in the ordinance imposing the fee, to the tax collector of
18 the taxing district constituting the municipality in which the fee

19 is imposed, and shall transmit therewith a copy of each receipt
20 issued pursuant to this subsection.

20A ****The governing body of the municipality may, by ordinance,*
20B *fix a rate of interest to be charged a homeowner by the municipality*
20C *for failure to pay the municipal service fee when due and payable,*
20D *and to be charged a park owner for failure to transmit fees actually*
20E *collected when so required. This rate shall be fixed within the limits*
20F *established for interest charged for delinquent property taxes pur-*
20G *suant to R. S. 54:4-67.****

21 c. ***[A manufactured home which is installed in a mobile home**
22 **park within the corporate boundaries of the municipality for less**
23 **than one year shall be subject to a municipal service fee only in**
24 **proportion to the time period beginning on the first day of the**
25 **month in which the home is installed and ending on the last day of**
26 **the month in which the home is removed.**

27 d. The municipal service fee shall not be imposed on a site in
28 a mobile home park in which no manufactured home is installed.

29 e. A municipal service fee shall constitute a personal obligation
30 of the owner of the home on which it is imposed, or of the park
31 owner if that park owner has issued a receipt to the homeowner
32 for the portion or portions of the fee not received by the tax col-
33 lector. The fee shall be enforceable through the institution of civil
34 action by the municipality against the homeowner or park owner,
35 as appropriate. No lien shall be created through the imposition
36 of a municipal service fee.]* ****[The municipal service fee shall*
37 *not be imposed in any given year on a site in a mobile home park*
38 *which is unoccupied for more than 90 consecutive days during that*
39 *year.]**** **An ordinance adopted pursuant to subsection a. of***
40 *this section shall set forth the manner in which the municipal service*
41 *fee shall be allocated among the owners of manufactured homes*
42 *within the mobile home park. To the extent that the respective*
43 *portion of the municipal service fee allocated to the owner of a*
44 *manufactured home constitutes a new fee or an increase of any*
45 *similar fee imposed before the effective date of this act, this new*
46 *fee or increase, as appropriate, shall in turn constitute a rent sur-*
47 *charge, collectible in addition to any surcharge or increase per-*
48 *mitted by any rent control or rent levelling ordinance adopted by*
49 *the municipality.****

50 ***[f.]* *d.* ***[The commissioner or his designee is empowered**
51 **to promulgate rules and regulations concerning the items which**
52 **may be included in a municipal service fee, *and* the manner in**
53 **which fees may be allocated among the owners of manufactured**
54 **homes in accordance with the services rendered these owners]*****

55 ***Notwithstanding any provision to the contrary of subsection c.
 56 of this section, the respective portion of a municipal service fee
 57 allocated to the owner of a manufactured home shall be deemed
 58 rent for eviction purposes*** *[, and the manner in which any
 59 revenues derived from the imposition of a municipal service fee are
 60 allocated among the appropriate taxing authorities]*.

1 6. (New section) The sales tax imposed by the "Sales and Use
 2 Tax Act," P. L. 1966, c. 30 (C. 54:32B-1 et seq.) shall be applied
 3 only against the manufacturer's invoice price of a manufactured
 4 home **[when]** *upon the first sale of* that home **[is first
 5 sold]**.*

1 *7. ***[(New section)]*** Section 18 of P. L. 1980, c. 105 (C.
 2 54:32B-8.6) is amended to read as follows:

3 18. Receipts from casual sales except as to sales of motor vehi-
 4 cles, whether for use on the highways or otherwise, and except as to
 5 sales of boats or vessels registered or subject to registration under
 6 the "New Jersey Boat Act of 1962," P. L. 1962, c. 73 (C. 12:7-34.36
 7 et seq.), and all amendments and supplements thereto, are exempt
 8 from the tax imposed under the Sales and Use Tax Act. *A manu-
 9 factured home, as defined in subsection d. of section 3 of P. L.
 10 , c. (C.) (now pending before the Legisla-
 11 ture as Assembly Bill No. 3600 of 1983) shall not be deemed a
 12 motor vehicle for the purposes of this section.**

1 ***[7.]*** *8. (New section)* Trailers shall not be subject to the
 2 provisions of this act.

1 **9. (New section) A manufactured home subject to real prop-
 2 erty taxation pursuant to this act shall be treated as real property
 3 for the purposes of imposing the transfer inheritance and estate
 4 tax pursuant to R. S. 54:34-1 et seq.

1 10. (New section) Sections 1 and 2 of P. L. 1981, c. 358 are
 2 repealed.**

1 ***[8.]*** ****[9.]**** **11.** ***[(New section)]***** This act shall
 2 take effect immediately***[, but shall remain inoperative until
 3 Assembly Bill Nos. 3355, 3601, 3602, and 3603 of 1983, now pending
 4 before the Legislature are enacted, and shall apply to the 1984 tax
 5 year and thereafter, but the tax assessor of any taxing district
 6 affected by this act shall take whatever actions may be necessary
 7 prior to the commencement of the 1984 tax year to effectuate the
 8 provisions of this act for that tax year]***.

35 as appropriate. No lien shall be created through the imposition
36 of a municipal service fee.

37 f. The commissioner or his designee is empowered to promulgate
38 rules and regulations concerning the items which may be included
39 in a municipal service fee, the manner in which fees may be al-
40 located among the owners of manufactured homes in accordance
41 with the services rendered these owners, and the manner in which
42 any revenues derived from the imposition of a municipal service
43 fee are allocated among the appropriate taxing authorities.

1 7. Trailers shall not be subject to the provisions of this act.

1 8. This act shall take effect immediately, but shall remain in-
2 operative until Assembly Bill Nos. 3355, 3601, 3602, and 3603 of
3 1983, now pending before the Legislature are enacted, and shall
4 apply to the 1984 tax year and thereafter, but the tax assessor of
5 any taxing district affected by this act shall take whatever actions
6 may be necessary prior to the commencement of the 1984 tax year
7 to effectuate the provisions of this act for that tax year.

STATEMENT

This bill addresses the many difficult questions raised in the case of *Koester v. Hunterdon County Board of Taxation*, 79 N. J. 381 (1979), in which the State Supreme Court held that certain manufactured homes are taxable as real property. The bill provides that manufactured homes shall be taxed as real property except when such homes are installed in mobile home parks.

The bill taxes into account the fact that manufactured homes in mobile home parks receive fewer public services than manufactured homes and other single family dwelling units sited on private lots. The bill also takes into account the fact that there is a variety of factors which distinguish manufactured homes installed in mobile home parks from other manufactured homes and other single family dwelling units. Finally, the bill takes into account the precedent set by the Legislature for special treatment for certain types of public utilities property, provided that the owner of that property makes reasonable payment for public services.

In light of the above considerations, the bill provides for an equitable system of taxation and fees, under which homeowners in various circumstances all pay their fair share for public services, and none are required to pay more than their fair share simply because of these circumstances.

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3600

[OFFICIAL COPY REPRINT]
with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 30, 1983

This bill provides that manufactured homes shall be taxed as real property except when such homes are installed in mobile home parks. Instead of real property taxation, owners of manufactured homes installed in mobile home parks shall pay an annual service fee to the municipality in which they are located. The fee would be imposed on the homes to cover the costs of municipal services not defrayed by real property taxes assessed and levied against the parks, and to reimburse the municipality for payments made to the school district serving a mobile home park for educational expenses occasioned by pupils residing in that park.

In addition, the State sales tax shall be imposed against the manufacturer's invoice price of the manufactured home when that home is first sold. However, any subsequent sale of a manufactured home shall be exempt from the State sales tax.

Furthermore, manufactured homes subject to real property taxation shall be treated as real property for the purposes of imposing the transfer inheritance and estate tax pursuant to R. S. 54:34-1 et seq.

to

Assembly Bill No. 3600

(by Assemblyman Riley, sponsor, 6-20-83)

Amend:

Page	Sec.	Line
8	7	1
8	8	1
1-8	1-7	

18. Receipts from casual sales except as to sales of motor vehicles, whether for use on the highways or otherwise, and except as to sales of boats or vessels registered or subject to registration under the "New Jersey Boat Act of 1962," P. L. 1962, c. 73 (C. 12:7-34-36 et seq.), and all amendments and supplements thereto, are exempt from the tax imposed under the Sales and Use Tax Act. A manufactured home, as defined in

subsection d. of section 3 of P.L. 1983, c. 16,

(C. 12:7-34) (now pending before the Legislature as Assembly Bill No. 3600 of 1983) shall not be deemed a motor vehicle for the purposes of this section."

Omit "7," insert "8,"

Omit "8," insert "9," *number inserted (New Jersey)*
 After the section, STATEMENT

These amendments provide that no municipal service fee shall be imposed in any given year on a site in a mobile home park which is vacant for more than 90 consecutive days during that year. Further, the amendments delete certain unnecessary procedures for the enforcement of municipal service fees, in order to enable municipalities to rely on any method of enforcement which has been upheld at common law.

In addition, ^{the} amendments provide that the State sales tax shall be imposed against the manufacturer's invoice price of a manufactured home when that home is first sold. The tax is to be imposed against the invoice price, rather than the final sale price, in order to provide equity between manufactured homes and "conventional" housing, as the tax is imposed only against the materials used

Assembly Bill No. 3600

(by Assemblyman Riley, sponsor,
6-20-83)

and:

Sec. Line

in constructing the latter. The amendments also provide that any subsequent sale of a manufactured home shall be exempt from the State Sales Tax.

The amendments concerning condominiums and cooperatives are technical and clarifying in nature. The subsection concerning condominiums is unnecessary, since current law adequately covers any such situation. The subsection concerning cooperatives is unnecessary in light of the fact that ^{these} such arrangements are specifically excluded, by amendment, from the definition of a mobile home park.

The remaining amendments are also technical and clarifying in nature.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

November 21, 1983

ASSEMBLY BILL NO. 3600 (2nd OCR)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the Constitution, I herewith return Assembly Bill No. 3600 (2nd OCR) with my recommendations for reconsideration.

Assembly Bill No. 3600 entitled the "Manufactured Home Taxation Act" provides for the taxation of manufactured homes. Under the provisions in this bill, a manufactured home which is installed in a mobile home park shall be exempt from real property taxation. Other manufactured homes which are affixed to the land on which they are sited by a permanent foundation or affixed by a nonpermanent foundation and connected to utility systems so as to render the home habitable as a dwelling on a permanent basis will be subject to real property taxation. In addition, the bill provides clarification of the treatment of manufactured homes under the Sales and Use Tax Law, providing that the sales tax shall be applied against the manufacturer's invoice price of a manufactured home upon the first sale of the home. In addition, the bill clarifies that manufactured homes which are subject to real property taxation shall be treated as real property under the Transfer Inheritance and Estate Tax Law.

In lieu of real property taxation, the bill provides that manufactured homes located in mobile home parks will be subject to an annual municipal service fee. In fixing the fee, the municipality must take into account the extent that the real property taxes assessed against the land and improvements in the park defray the cost of governmental services provided to the park. The municipal service fee is to be collected by the mobile home park owner on a monthly basis from the owner of the manufactured home. The fee is then transmitted to the tax collector. The Commissioner of the Department of Community Affairs is given the power to promulgate rules and regulations concerning the calculation of the municipal service fee and its allocation among manufactured homeowners.

I am proposing modifications to the provisions in the bill concerning the municipal service fees. Rather than have the Department of Community Affairs determine by regulation how the municipal fee shall be calculated and allocated

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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among the owners of manufactured homes, I believe that this issue is better left to local governments. Accordingly, I am recommending that we delete from the bill the requirement that the Commissioner of the Department of Community Affairs promulgate rules and regulations governing the calculation and allocation of the municipal service fee. Instead I would require the municipal ordinance to set forth the manner in which the municipal service fee shall be allocated among homeowners in mobile home parks.

Currently, the bill provides that no municipal service fee may be charged for a site that has been unoccupied for more than 90 consecutive days. I find no justification for a complete exemption from a municipal service fee where a site has remained unoccupied for only 90 days. Accordingly, I am recommending that this provision be deleted from the bill. In order that some adjustment may be made in the municipal service fee for months in which the site is unoccupied, I am recommending that language be inserted in the bill to require the ordinance imposing the municipal service fee to provide for the proration of a fee in order to account for vacancies in the mobile home park.

To assist in collection and enforcement of the municipal service fees, I am recommending a provision to enable a municipality to charge interest on delinquent municipal service fees. Where the homeowner has failed to pay the municipal service fee, he shall be charged the interest; where the park owner has failed to transmit the fees actually collected to the municipality the interest payment shall be made by him. The rate of interest will be fixed within the limits established for interest charged for delinquent property taxes pursuant to R.S. 54:4-67.

I am also recommending an amendment which would govern the treatment of this fee under any rent control or rent levelling ordinance. In addition, I am recommending language which would treat municipal service fees as rent for eviction purposes.

I note that the effective date provision of this bill provides that the act shall take effect immediately but shall remain inoperative until Assembly Bill Nos. 3355, 3601, 3602 and 3603 of 1983 are enacted into law. This contingency arrangement is unnecessary. Accordingly, I am recommending that this provision be amended to have the act take effect immediately.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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In addition, I am recommending correction of various printer's errors in the bill as set forth below.

Accordingly, I herewith return Assembly Bill No. 3600 (2nd OCR) and recommend that it be amended as follows:

Page 4, Section 4, line 2: After "section" insert "and in P.L. 1982, c. 220 (C.54:4-23a)"

Page 4, Section 4, line 5: Omit "(a)" and insert "(1)"

Page 4, Section 4, line 7: Omit "(b)" insert "(2)"

Page 5, Section 5, line 6: Omit "goverening" insert "governing" and omit "extend" insert "extent"

Page 5, Section 5, line 11A: After "park." insert:

"The ordinance imposing the municipal service fee shall provide for the proration of that fee, as necessary, in order to account for vacancies in the mobile home park."

Page 5, Section 5, after line 20: Insert:

"The governing body of the municipality may, by ordinance, fix a rate of interest to be charged a homeowner by the municipality for failure to pay the municipal service fee when due and payable, and to be charged a park owner for failure to transmit fees actually collected when so required. This rate shall be fixed within the limits established for interest charged for delinquent property taxes pursuant to R.S. 54:4-67."

Page 6, Section 5, line 36: Omit "The municipal service fee shall not"

Page 6, Section 5, lines 37 and 38: Omit in entirety and insert:

"An ordinance adopted pursuant to subsection a. of this section shall set forth the manner in which the municipal service fee shall be allocated among the owners of manufactured homes within the mobile home park. To the extent that the respective portion of the municipal service fee allocated to the owner of a manufactured home constitutes a new fee or an increase of any similar fee imposed before the effective date of this act, this new fee or increase, as appropriate, shall in turn constitute a rent surcharge, collectible in addition to any surcharge or increase permitted by any rent control or rent levelling ordinance adopted by the municipality."

Page 6, Section 5, lines 39 through 42: After "d." on line 39 omit in entirety

Page 6, Section 5, line 43: Omit "accordance with the services rendered these owners" and insert:

"Notwithstanding any provision to the contrary of subsection c. of this section, the respective portion of a municipal service fee allocated to the owner of a manufactured home shall be deemed rent for eviction purposes"

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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Page 6, Section 7, line 1: Omit "(New section)"

Page 7, Section 11, line 1: Omit "(New section)"

Page 7, Section 11, lines 2 through 7: After "immediately" omit
in entirety

Page 7, Section 11, line 8: Omit "this act for that tax year"

Respectfully,

/s/ Thomas H. Kean

GOVERNOR

(seal)

Attest: . . .

/s/ W. Cary Edwards
Chief Counsel