

LEGISLATIVE HISTORY CHECKLIST

NJSA: 20:4-4.1

(Tenants-relocation-result of housing or construction code violations- landlord to pay costs under certain circumstances)

LAWS OF: 1983

CHAPTER: 536

Bill No: A3924

Sponsor(s): Zangari and Kelly

Date Introduced: September 15, 1983

Committee: Assembly: -----

Senate: -----

Amended during passage: Yes

Amendments during passage denoted by asterisks. Substituted for S3684 (Senate Committee statement attached)

Date of Passage: Assembly: November 21, 1983

Senate: January 9, 1984

Date of Approval: January 17, 1984

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly No

Senate No

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

[SECOND OFFICIAL COPY REPRINT]

## ASSEMBLY, No. 3924

## STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 15, 1983

By Assemblymen ZANGARI and KELLY

A SUPPLEMENT to the "Relocation Assistance Act," approved  
December 21, 1971 (P. L. 1971, c. 362; C. 20:4-1 et seq.).

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

1 1. a. In the case of any displacement of persons by housing or  
2 construction code enforcement, including any rehabilitation neces-  
3 sitated by that enforcement, **\*\*[conducted by an enforcing agency**  
4 pursuant to the "State Uniform Construction Code Act," P. L.  
5 1975, c. 217 (C. 52:27D-119 et seq.),**]\*\*** in which the owner of the  
6 real property has, in any final court adjudication, been held liable  
7 for a civil or criminal penalty, all relocation costs incurred pur-  
8 suant to sections 4 and 6 of P. L. 1971, c. 362 (C. 20:4-4 and 20:4-6)  
9 shall be paid by the owner of the real property to the **\*\*[enforc-**  
10 **ing]\*\*** *\*\*public\*\** agency *\*\*making relocation assistance pay-*  
11 *ments\*\** upon presentation to the owner by the **\*\*[enforcing]\*\***  
12 *\*\*public\*\** agency of a statement of those relocation costs and of  
12A the date upon which the relocation costs are due and payable.

13 b. In the event that the relocation costs to be paid to an **\*\*[en-**  
14 **forcing]\*\*** *\*\*a public\*\** agency with regard to any parcel of real  
15 property shall not be paid **\*\*[as and when]\*\*** *\*\*within 10 days*  
16 *after the date\*\** due, interest shall accrue and be due to the  
17 **\*\*[enforcing]\*\*** *\*\*public\*\** agency on the unpaid balance at the  
18 rate of 18% per annum until the costs, and the interest thereon,  
18A shall be fully paid to the **\*\*[enforcing]\*\*** *\*\*public\*\** agency.

**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 November 21, 1983.

\*—Senate amendments adopted December 12, 1983.

19 c. In the event that the relocation costs to be paid to **\*\*[an en-**  
 20 **forcing]\*\*** **\*\*a public\*\*** agency with regard to any parcel of real  
 21 property shall not be paid **\*\*[as and when]\*\*** **\*\*within 10 days**  
 22 **after the date\*\*** due, the unpaid balance thereof and all interest  
 23 accruing thereon shall be a lien on the parcel. **\*\*[The lien shall be**  
 24 superior and paramount to the interest in the parcel of any owner,  
 24A lessee, tenant, mortgagee or other person, except the lien of  
 25 municipal taxes, and shall be on a parity with and deemed  
 26 equal to the lien on the parcel of the municipality wherein the  
 27 parcel is situated for taxes thereon due in the same year and not  
 28 paid when due. The lien shall not bind or affect a subsequent  
 29 bona fide purchaser of the parcel for a valuable consideration  
 30 without actual notice of the lien, unless the enforcing agency shall  
 31 have filed in the office of the tax collector or other officer of the  
 32 municipality charged with the duty of enforcing municipal liens  
 33 or real property,]**\*\*** **\*\*To perfect the lien granted by this section,\*\***  
 33A a statement showing the amount and due date of the unpaid  
 34 balance and identifying the parcel, which identification may be  
 35 sufficiently made by reference to the assessment map of the  
 36 municipality**\*\*[**. The information shown in that statement shall  
 37 be included in any certificate with respect to the parcel thereafter  
 38 made by the official of the municipality vested with the power to  
 39 make official certificates of searches for municipal liens]**\*\*** **\*\***, shall  
 39A *be recorded with the clerk or register of deeds and mortgages of*  
 39B *the county in which the affected property is located, and upon*  
 39C *recording, the lien shall have the priority of a mortgage lien\*\*.*  
 40 Whenever relocation costs with regard to the parcel and all interest  
 41 accrued thereon shall have been fully paid to the **\*\*[enforcing]\*\***  
 42 **\*\*public\*\*** agency, the statement shall be promptly withdrawn or  
 43 cancelled by the **\*\*[enforcing]\*\*** **\*\*public\*\*** agency.

44 d. The tax collector or other officer of every municipality charged  
 45 by law with the duty of enforcing municipal liens on real property  
 46 shall enforce, with and as any other municipal liens on real prop-  
 47 erty in the municipality, all relocation costs and the lien thereof  
 48 shown in any statement filed with him by any **\*\*[enforcing]\*\***  
 49 **\*\*public\*\*** agency pursuant to subsection c. of this section, and  
 50 shall deposit in the municipal treasury the sums realized upon  
 51 enforcement or upon liquidation of any property acquired by the  
 52 municipality by virtue of enforcement. **\*\*If the public agency**  
 52A *placing a lien is other than an agency of the municipality, the*  
 52B *municipality shall forthwith pay over to that public agency the*  
 52C *sums or a pro rata share of the sums realized upon enforcement*  
 52D *or upon liquidation of any property acquired by the municipality*  
 52E *by virtue of that enforcement.\*\**

53     \*\*[e. In the event that relocation costs to be paid to an enforcing  
54 agency shall not be paid as and when due, the unpaid balance  
55 thereof and all interest accrued thereon, together with attorneys'  
56 fees and costs, may be recovered by the enforcing agency in a  
57 civil action as a personal debt of the owner of the real property.  
58 If the owner of the real property is a corporation, the directors,  
59 officers, and shareholders who control more than 5% of the total  
60 voting shares of the corporation, shall be personally liable, jointly  
61 and severally, for the relocation costs.

62     f. All rights and remedies granted by this act for the collection  
63 and enforcement of relocation costs shall be cumulative and con-  
64 current.】\*\*

65     \*\*[g.]\*\* \*\*e.\*\* The owner of any parcel of real property shall  
66 have the right to appeal the requirement that the owner pay the  
67 relocation costs incurred pursuant to section 4 and 6 of P. L. 1971,  
68 c. 362 (C. 20:4-4 and 20:4-6) on the grounds that the cause of the  
69 violations was outside his control and the abatement of code viola-  
70 tions is economically unfeasible. Appeal shall be to the Superior  
71 Court, Law Division, in summary proceedings.

72     \*\*[h. Amounts received by an enforcing agency for relocation  
73 costs pursuant to this act shall be deposited in the municipal trea-  
74 sury and shall be available for general municipal purposes. The mu-  
75 nicipality shall immediately upon deposit in the municipal treasury  
76 of any amounts received for any parcel of real property as a result  
77 of payment of relocation costs by an owner, or the enforcement  
78 of a lien for the payment of the costs, pay over to the State any  
79 portion of amounts of relocation costs incurred by the municipality  
80 with respect to that parcel of real property which were met through  
81 the provision of State financial assistance.】\*\*

82     \*\*f. *This section shall not require a municipality to enforce a  
82 lien for relocation costs with respect to any real property the title  
83 to which it has acquired and which has been transferred pursuant  
84 to a rehabilitation agreement.*\*\*

1     \*\*[2. *The provisions of this act shall not be applicable in cases  
2 where the building is being sold for the express purpose of reha-  
3 bilitation.*\*\*]

1     \*[2.]\* \*\*[3.]\* \*\*2.\*\* This act shall take effect immediately.

---

65 g. The owner of any parcel of real property shall have the right  
 66 to appeal the requirement that the owner pay the relocation costs  
 67 incurred pursuant to section 4 and 6 of P. L. 1971, c. 362 (C. 20:4-4  
 68 and 20:4-6) on the grounds that the cause of the violations was  
 69 outside his control and the abatement of code violations is eco-  
 70 nomically unfeasible. Appeal shall be to the Superior Court, Law  
 71 Division, in summary proceedings.

72 h. Amounts received by an enforcing agency for relocation costs  
 73 pursuant to this act shall be deposited in the municipal treasury  
 74 and shall be available for general municipal purposes. The mu-  
 75 nicipality shall immediately upon deposit in the municipal treasury  
 76 of any amounts received for any parcel of real property as a result  
 77 of payment of relocation costs by an owner, or the enforcement  
 78 of a lien for the payment of the costs, pay over to the State any  
 79 portion of amounts of relocation costs incurred by the municipality  
 80 with respect to that parcel of real property which were met through  
 81 the provision of State financial assistance.

1 2. This act shall take effect immediately.

---

#### STATEMENT

This bill would require that the property owner, rather than the State and municipal government, pay the costs of relocation of tenants, if the relocation is the result of housing or construction code violations for which the owner has been held liable in a court adjudication.

The bill is aimed at landlords whose buildings are evacuated due to health and building code violations. Where municipal officials close a rental building for these reasons, the burden of providing relocation assistance to the displaced tenants falls upon the municipality. This bill would shift that responsibility to the landlord in the following way. Where the landlord has been found in a final court adjudication liable for a civil or criminal penalty under a housing or construction code, the cost of the relocation assistance paid to the displaced tenants would be paid by the landlord. If not paid when due, the relocation costs become a lien on the property collectible in the manner provided by law. The owner could appeal the lien on the basis that the cause of the violations was outside his control and that abatement of the code violations is economically unfeasible. In addition, the relocation costs would be a personal debt of the owner of the property.

A3924 (1983)

The bill provides procedures: for the payment by the landlord of relocation costs in order to avoid a lien being placed on the property; for the accrual of interest on the relocation costs at 18% per annum if not paid when due and payable; for the placement and recording of the lien if payment is delinquent; and for enforcement of the lien by foreclosure proceedings. The lien would be paramount to any other lien on the property, except for municipal taxes, and shall be on parity with a municipal tax lien. The bill provides for reimbursement to the State from moneys received from landlords under the bill for relocation costs met by the municipality through State financial assistance.

---

SENATE COUNTY AND MUNICIPAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**SENATE, No. 3684**

with Senate committee amendments

**STATE OF NEW JERSEY**

DATED: DECEMBER 8, 1983

Senate Bill No. 3684 would require that the property owner, rather than the State and municipal government, pay the costs of relocation of tenants, if the relocation is the result of housing or construction code violations for which the owner has been held liable in a court adjudication.

The bill is aimed at landlords whose buildings are evacuated due to health and building code violations. Where municipal officials close a rental building for these reasons, the burden of providing relocation assistance to the displaced tenants falls upon the municipality. This bill would shift that responsibility to the landlord in the following way. Where the landlord has been found in a final court adjudication liable for a civil or criminal penalty under a housing or construction code, the cost of the relocation assistance paid to the displaced tenants would be paid by the landlord. If not paid when due, the relocation costs become a lien on the property collectible in the manner provided by the bill. The owner could appeal the lien on the basis that the cause of the violations was outside his control and that abatement of the code violations is economically unfeasible.

The bill provides procedures: for the payment by the landlord of relocation costs in order to avoid a lien being placed on the property; for the accrual of interest on the relocation costs at 18% per annum if not paid when due and payable; for the placement and recording of the lien if payment is delinquent; and for enforcement of the lien by foreclosure proceedings. The lien would have the priority of a mortgage lien.

The Senate Committee amendments, suggested by the Department of Community Affairs and approved by the sponsor, would:

1. Furnish the owner a 10-day period from the date due to make the reimbursement payment before the lien is placed;
2. Broaden the bill's provisions to include all housing and construction code enforcement and not just to code enforcements under the "State Uniform Construction Code Act;"

3. In the case of State relocation assistance payments, to provide for the owner's reimbursement to be paid directly to the State. The owner's payments would be made to whatever public agency made the relocation assistance payments. The municipality would be required to reimburse the State only in the instance where the relocation costs are collected by virtue of enforcement of the lien.

The Senate Committee, at the suggestion of the New Jersey Bankers' Association and with the sponsor's approval, amended the bill to provide for the method for perfecting the lien by recording it with the county clerk or register of deeds and mortgages and for the lien to have the priority of a mortgage lien.

---