

LEGISLATIVE HISTORY OF R.S.46:8-19 through 26
(Security deposits - leases)

Previous bills

- 1965 - A256 - Died in committee
A487 - Died in committee
A492 - Died in committee
- 1966 - A267 - Died in committee
A359 - Passed Assembly, amended; died in Senate
Committee
S334 - Passed Senate; died in Assembly Committee
S339 - Died in committee
- 1967 - A448 - Died in committee
S212 - Died in committee
S264 - Died in committee

(None of the above bills had statements)

The bill which became law was:

- L1967 - Chap.265 - A409
Jan.23 - Introduced by Tanzman and others.
Feb.6 - Passed in Assembly under emergency resolution, amended.
May 8 - Passed in Senate.
Jan.8 - Approved, chap.265.
No statement.
Amended during passage (copy enclosed of original bill and
amendments).

Clippings located on 1967 law (copy enclosed)

Milch, Alexander. "State law urged to safeguard apartment
deposit funds" Newark Evening News, February 6, 1966.

Cedrone, Connie "Assembly votes curbs on use of rent deposit"
Star Ledger, February 7, 1967.

No hearings or reports on this 1967 legislation were located.

Bills introduced prior to 1968 and 1971 amendments

- 1968 - A388 - Died in committee
A559 - Passed in Assembly; died in Senate Committee.
A587 - Died in committee.
- 1969 - A267 - Died in committee.
A294 - Passed in Assembly; died in Senate Committee.
A295 - Died in committee.
A311 - Died in committee.
A1056 - Died in committee.

1970 - A72 - Died in committee.
A99 - Passed in Assembly; died in Senate Committee.
A227 - Died in committee.
A1234 - Died in committee.
A1257 - Died in committee.

The bills which became laws were:

L.1968 - chap.46 - A362
Feb.13 - Introduced by Vreeland and others.
Apr.22 - Passed in Assembly.
May 13 - Passed in Senate
May 22 - Approved, chapter 46.
Not amended during passage.

AND

L.1971 - chap.223 - S904.
Sept.17 - Introduced by Kay and others.
Sept.21 - Passed in Senate.
Apr. 29 - Passed in Assembly, amended.
May 3 - Assembly amendment passed in Senate.
June 21 - Approved, chapter 223, 1971.
No statement on the bill.
Amended during passage (copy enclosed of original bill
and amendment).

S904 opposed by Mortgage Bankers Assn (clipping attached)
S904 was approved by the New Jersey Association of Realtor
Boards (see attached photostat from New Jersey Realtor.)
13 N. J. Realtor 3 July 1971
Hearings and reports

The New Jersey Landlord-Tenant Relationship Study
Commission was created by Assembly Concurrent Resolution
28 of 1969. This commission issued the following reports:

974.90 New Jersey. Landlord-Tenant Relationship Study
H842 Commission.
1969 Public hearing before New Jersey Relationship
Study Commission, Trenton, 1970. *4 vols.*

Note: The interim report indicated 5 public
hearings were held but only the two
held on November 10 and December 9, 1971
were transcribed.

974.90 New Jersey. Landlord-Tenant Relationship Study
H842 Commission
1970 Interim report [West New York, New Jersey]
1970.

AJR 11-1970

Name changed to: New Jersey State Rental Housing Study
Commission. Additional reports may be
published.

Newspaper clippings

Numerous clippings are located at Vertical File--N.J.--
Landlord-Tenant. The clippings listed below are a small
selection(copies enclosed)

Hladick, Dave

"Final okay given rent withholding"
Trenton Evening Times May 11, 1971

Young, Randy

"Tenant protection bills introduced in the Assembly"
Newark Star Ledger March 12, 1971

Coleman, Chester L.

"Bills favored for tenant relief"
Newark Evening News Jan. 28, 1971

Bishop, Gordon

"Tenant leader: Cahill backs three key bills"
Newark Star Ledger Jan.28, 1971

"Putting the heat on landlords"

Newark Star Ledger May 7, 1971

"Rent bill nears vote in Senate"

Trenton Evening Times May 7, 1971

Coleman, Chester

"Tenants claim backing"
May 2, 1971

Culnan, Dennis M.

"Cahill pledges support to tenants' rights bills"
Courier Post Jan. 29, 1971

"Tenants backed on heating repair"

Newark Star Ledger May 4, 1971

Baglivo, Angelo

"Rent holdout passes"
Newark Evening News May 11, 1971

"Tenant lockout gains"

Newark Evening News May 9, 1971

JH/EH
Encl.

SENATE, No. 904

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 17, 1970

By Senators KAY and BATEMAN

(Without Reference)

AN ACT concerning security deposits and to amend and supplement
“An act concerning leasehold estates in relation to deposits to
secure performance of leases, and supplementing chapter 8 of
Title 46 of the Revised Statutes,” approved January 8, 1968
(P. L. 1967, c. 265).

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

1 1. Section 1 of P. L. 1967, c. 265 (C. 46:8-19) is amended to read
2 as follows:

3 1. Whenever money or other form of security shall be deposited
4 or advanced on a contract, lease or license agreement for the use
5 or rental of real property as security for performance of the con-
6 tract, lease or agreement or to be applied to payments upon such
7 contract, lease or agreement when due, such money or other form
8 of security, until repaid or so applied *including the tenant's portion*
9 *of the interest earned thereon as hereinafter provided*, shall con-
10 tinue to be the property of the person making such deposit or ad-
11 vance and shall be held in trust by the person with whom such
12 deposit or advance shall be made for the use in accordance with
13 the terms of the contract, lease or agreement and shall not be min-
14 gled with the personal property or become an asset of the person
15 receiving the same. The person receiving money so deposited or
16 advanced shall deposit such money in a banking institution or sav-
17 ings and loan association in this State insured by an agency of the
18 Federal Government in an account *bearing interest at the rate cur-*
19 *rently paid by such institutions and associations on time deposits*
20 and shall thereupon notify in writing each of the persons making
21 such security deposit or advance, giving the name and address of
22 the banking institution in which the deposit of security money is
23 made, and the amount of such deposit.

24 All of the money so deposited or advanced may be deposited by
 25 the person receiving the same in one *interest-bearing* account as
 26 long as he complies with all the other requirements of this act.

27 *The person receiving money so deposited or so advanced shall*
 28 *be entitled to receive as administration expenses, a sum equivalent*
 29 *to 1% per annum thereon which shall be in lieu of all other admin-*
 30 *istrative and custodial expenses. The balance of the interest paid*
 31 *thereon by such banking institution or savings and loan association,*
 32 *hereinafter referred to as tenant's portion, shall belong to the per-*
 33 *son making the deposit or advance and shall be paid to him upon*
 34 *repayment of the deposit or advance or shall be dealt with as*
 35 *otherwise provided for the security deposit.*

1 2. Section 2 of P. L. 1967, c. 265 (C. 46:8-20) is amended to read
 2 as follows:

3 2. Any person, whether the owner or lessee of the property
 4 leased, who or which has or hereafter shall have received from a
 5 tenant or licensee a sum of money as a deposit or advance of rental
 6 as security for the full performance by such tenant or licensee of
 7 the terms of his contract, lease or license agreement, or who or
 8 which has or shall have received the same from a former owner or
 9 lessee, shall, upon conveying such property or assigning his or its
 10 lease to another, or upon the conveyance of such property to another
 11 person by a court in an action to foreclose a mortgage thereon, at
 12 the time of the delivery of the deed or instrument or assignment,
 13 or within 5 days thereafter, or in the event of the insolvency or
 14 bankruptcy of the person receiving said deposit, within 5 days
 15 after the making and entry of an order of the court discharging
 16 the receiver or trustee, deal with the security deposit in one of the
 17 three following ways:

18 (a) Turn over to his or its grantee or assignee, or to the pur-
 19 chaser at the foreclosure sale the sum so deposited, *plus the tenant's*
 20 *portion of the interest earned thereon*, and notify the tenant or
 21 licensee by registered or certified mail of such turning over and
 22 the name and address of such grantee, assignee or purchaser.

23 (b) Return the sum so deposited, *plus the tenant's portion of*
 24 *the interest earned thereon*, to such tenant or licensee, less any
 25 charges expended in accordance with the terms of a contract, lease,
 26 or agreement or to his appointee or designee duly authorized in
 27 writing by such tenant to receive the same.

28 (c) Retain the sum so deposited, *plus the tenant's portion of the*
 29 *interest earned thereon*, and notify the tenant or licensee by regis-
 30 tered or certified mail of such conveyance or assignment and the
 31 name and address of the grantee, assignee, or purchaser at the

32 foreclosure sale, as the case may be, and of the fact that he or it,
33 as such former landlord, has retained the sum so deposited, *plus*
34 *the tenant's portion of the interest earned thereon.*

1 3. Section 3 of P. L. 1967, c. 265 (C. 46:8-21) is amended to read
2 as follows:

3 3. Any owner or lessee turning over to his or its grantee, as-
4 signee, or to a purchaser of the leased premises at a foreclosure
5 sale the amount of such security deposit, *plus the tenant's portion*
6 *of the interest earned thereon*, is hereby relieved of and from lia-
7 bility to the tenant or licensee for the repayment thereof; and the
8 transferee of such security deposit, *plus the tenant's portion of*
9 *the interest earned thereon*, is hereby made responsible for the
10 return thereof to the tenant or licensee, in accordance with the
11 terms of the contract, lease, or agreement unless he or it shall there-
12 after and before the expiration of the term of the tenant's lease
13 or licensee's agreement, transfer such security deposit to another,
14 pursuant to section 2 hereof and give the requisite notice in con-
15 nection therewith as provided thereby.

1 4. Security deposits made prior to the effective date of this act
2 shall comply with the provisions of this act within 90 days of the
3 effective date thereof.

1 5. This act shall take effect immediately.

SENATE, No. 904

STATE OF NEW JERSEY

ADOPTED APRIL 22, 1971

Amend page 1, section 1, line 19, after the word "time", insert "or savings".

Amend page 2, section 1, lines 33 to 35, after the word "be", delete remaining language in its entirety, and insert "credited toward the payment of rent due on the renewal or anniversary of said tenant's lease."

Amend page 3, section 2, after line 34, insert new sections as follows:

"3. Within 30 days after the expiration of the term of the tenant's lease or licensee's agreement, the owner or lessee shall return by personal delivery, registered or certified mail the sum so deposited plus the tenant's portion of the interest earned thereon, less any charges expended in accordance with the terms of a contract, lease, or agreement. Any such deductions shall be itemized and the tenant or licensee notified thereof by registered or certified mail. In any action by a tenant or licensee for the return of moneys due under this section, the court upon finding for the tenant or licensee shall award recovery of double the amount of said moneys, together with full costs of any action."

"4. An owner or lessee may not require more than a sum equal to 1½ times 1 month's rental according to the terms of contract, lease, or agreement as a security for the use or rental of real property used for dwelling purposes."

Amend page 3, section 3, line 1, delete "3.", and insert "5."

Amend page 3, section 4, line 1, delete "4.", and insert "6."

Amend page 3, section 4, after line 3, insert a new section as follows:

"7. Section 8 of P. L. 1967, c. 265 (C. 46:8-26) is amended to read as follows:

"8. The provisions of this act shall apply **[only to owners of residential rental property consisting of more than four rental units]** to all rental premises or units used for dwelling purposes except owner-occupied premises with not more than two rental units"

Amend page 3, section 5, line 1, delete "5.", and insert "8."

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

[OFFICIAL COPY REPRINT]

SENATE, No. 904

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 17, 1970

By Senators KAY and BATEMAN

(Without Reference)

AN ACT concerning security deposits and to amend and supplement
“An act concerning leasehold estates in relation to deposits to
secure performance of leases, and supplementing chapter 8 of
Title 46 of the Revised Statutes,” approved January 8, 1968
(P. L. 1967, c. 265).

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

1 1. Section 1 of P. L. 1967, c. 265 (C. 46:8-19) is amended to read
2 as follows:

3 1. Whenever money or other form of security shall be deposited
4 or advanced on a contract, lease or license agreement for the use
5 or rental of real property as security for performance of the con-
6 tract, lease or agreement or to be applied to payments upon such
7 contract, lease or agreement when due, such money or other form
8 of security, until repaid or so applied *including the tenant's portion*
9 *of the interest earned thereon as hereinafter provided*, shall con-
10 tinue to be the property of the person making such deposit or ad-
11 vance and shall be held in trust by the person with whom such
12 deposit or advance shall be made for the use in accordance with
13 the terms of the contract, lease or agreement and shall not be min-
14 gled with the personal property or become an asset of the person
15 receiving the same. The person receiving money so deposited or
16 advanced shall deposit such money in a banking institution or sav-
17 ings and loan association in this State insured by an agency of the
18 Federal Government in an account *bearing interest at the rate cur-*
19 *rently paid by such institutions and associations on time *or sav-*
20 *ings* deposits* and shall thereupon notify in writing each of the
21 persons making such security deposit or advance, giving the name
22 and address of the banking institution in which the deposit of
23 security money is made, and the amount of such deposit.

24 All of the money so deposited or advanced may be deposited by

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

25 the person receiving the same in one *interest-bearing* account as
26 long as he complies with all the other requirements of this act.

27 *The person receiving money so deposited or so advanced shall*
28 *be entitled to receive as administration expenses, a sum equivalent*
29 *to 1% per annum thereon which shall be in lieu of all other admin-*
30 *istrative and custodial expenses. The balance of the interest paid*
31 *thereon by such banking institution or savings and loan association,*
32 *hereinafter referred to as tenant's portion, shall belong to the per-*
33 *son making the deposit or advance and shall be * [paid to him upon*
34 *repayment of the deposit or advance or shall be dealt with as*
35 *otherwise provided for the security deposit] * * credited toward the*
36 *payment of rent due on the renewal or anniversary of said tenant's*
37 *lease*.*

1 2. Section 2 of P. L. 1967, c. 265 (C. 46:8-20) is amended to read
2 as follows:

3 2. Any person, whether the owner or lessee of the property
4 leased, who or which has or hereafter shall have received from a
5 tenant or licensee a sum of money as a deposit or advance of rental
6 as security for the full performance by such tenant or licensee of
7 the terms of his contract, lease or license agreement, or who or
8 which has or shall have received the same from a former owner or
9 lessee, shall, upon conveying such property or assigning his or its
10 lease to another, or upon the conveyance of such property to another
11 person by a court in an action to foreclose a mortgage thereon, at
12 the time of the delivery of the deed or instrument or assignment,
13 or within 5 days thereafter, or in the event of the insolvency or
14 bankruptcy of the person receiving said deposit, within 5 days
15 after the making and entry of an order of the court discharging
16 the receiver or trustee, deal with the security deposit in one of the
17 three following ways:

18 (a) Turn over to his or its grantee or assignee, or to the pur-
19 chaser at the foreclosure sale the sum so deposited, *plus the tenant's*
20 *portion of the interest earned thereon*, and notify the tenant or
21 licensee by registered or certified mail of such turning over and
22 the name and address of such grantee, assignee or purchaser.

23 (b) Return the sum so deposited, *plus the tenant's portion of*
24 *the interest earned thereon*, to such tenant or licensee, less any
25 charges expended in accordance with the terms of a contract, lease,
26 or agreement or to his appointee or designee duly authorized in
27 writing by such tenant to receive the same.

28 (c) Retain the sum so deposited, *plus the tenant's portion of the*
29 *interest earned thereon*, and notify the tenant or licensee by regis-
30 tered or certified mail of such conveyance or assignment and the
31 name and address of the grantee, assignee, or purchaser at the

32 foreclosure sale, as the case may be, and of the fact that he or it,
 33 as such former landlord, has retained the sum so deposited, *plus*
 34 *the tenant's portion of the interest earned thereon.*

1 *3. *Within 30 days after the expiration of the term of the tenant's*
 2 *lease or licensee's agreement, the owner or lessee shall return by*
 3 *personal delivery, registered or certified mail the sum so deposited*
 4 *plus the tenant's portion of the interest earned thereon, less any*
 5 *charges expended in accordance with the terms of a contract, lease,*
 6 *or agreement. Any such deductions shall be itemized and the tenant*
 7 *or licensee notified thereof by registered or certified mail. In any*
 8 *action by a tenant or licensee for the return of moneys due under*
 9 *this section, the court upon finding for the tenant or licensee shall*
 10 *award recovery of double the amount of said moneys, together with*
 11 *full costs of any action.*

1 4. *An owner or lessee may not require more than a sum equal to*
 2 *1 1/2 times 1 month's rental according to the terms of contract,*
 3 *lease, or agreement as a security for the use or rental of real prop-*
 4 *erty used for dwelling purposes.**

1 ***[3.]*** *5.* Section 3 of P. L. 1967, c. 265 (C. 46:8-21) is amended
 2 to read as follows:

3 3. Any owner or lessee turning over to his or its grantee, as-
 4 signee, or to a purchaser of the leased premises at a foreclosure
 5 sale the amount of such security deposit, *plus the tenant's portion*
 6 *of the interest earned thereon*, is hereby relieved of and from lia-
 7 bility to the tenant or licensee for the repayment thereof; and the
 8 transferee of such security deposit, *plus the tenant's portion of*
 9 *the interest earned thereon*, is hereby made responsible for the
 10 return thereof to the tenant or licensee, in accordance with the
 11 terms of the contract, lease, or agreement unless he or it shall there-
 12 after and before the expiration of the term of the tenant's lease
 13 or licensee's agreement, transfer such security deposit to another,
 14 pursuant to section 2 hereof and give the requisite notice in con-
 15 nection therewith as provided thereby.

1 ***[4.]*** *6.* Security deposits made prior to the effective date of
 2 this act shall comply with the provisions of this act within 90 days
 3 of the effective date thereof.

1 *7. Section 8 of P. L. 1967, c. 265 (C. 46:8-26) is amended to read
 2 as follows:

3 8. *The provisions of this act shall apply [only to owners of*
 4 *residential rental property consisting of more than four rental*
 5 *units] to all rental premises or units used for dwelling purposes*
 6 *except owner-occupied premises with not more than two rental*
 7 *units.**

1 ***[5.]*** *8.* This act shall take effect immediately.