

**55:13A-12 & 55:13A-13 and 55:13A-20
LEGISLATIVE HISTORY CHECKLIST**

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LAWS OF: 2019 **CHAPTER:** 202

NJSA: 55:13A-12 & 55:13A-13 and 55:13A-20 (Authorizes DCA to establish flexible multiple dwelling inspection schedule; requires multiple dwelling owners to file certain registrations.)

BILL NO: S1150 (Substituted for A5041)

SPONSOR(S) M. Teresa Ruiz and others

DATE INTRODUCED: 1/25/2018

COMMITTEE: **ASSEMBLY:** ---

SENATE: SCU
Budget & Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 5/23/2019

SENATE: 3/25/2019

DATE OF APPROVAL: 8/5/2019

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Second Reprint enacted) Yes

S1150

SPONSOR'S STATEMENT: (Begins on page 5 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes Community & Urban Affairs
Budget & Appropriations

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, **may possibly** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes

A5041

SPONSOR'S STATEMENT: (Begins on page 9 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes Housing & Community Devel.

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, **may possibly** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: No

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RWH/JA

P.L. 2019, CHAPTER 202, *approved August 5, 2019*
Senate, No. 1150 (*Second Reprint*)

1 AN ACT ¹**[increasing the frequency of]** concerning¹ hotel and
2 multiple dwelling inspections ¹and registrations,¹ and amending
3 P.L.1967, c.76.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 ¹1. Section 12 of P.L.1967, c.76 (C.55:13A-12) is amended to
9 read as follows:

10 (a) (1) The owner of each hotel, or of each multiple dwelling
11 occupied or intended to be occupied by three or more persons living
12 independently of each other, shall file with the commissioner, upon
13 forms provided by the commissioner, a certificate of registration.
14 Each such certificate of registration shall be accompanied by a
15 reasonable fee [of \$10.00] established by rule by the commissioner
16 to cover the associated administrative costs and shall include such
17 information as the commissioner shall prescribe to enforce the
18 provisions of this law; provided, however, that in the case of a
19 multiple dwelling, the information required shall be at least that
20 required pursuant to section 2 of P.L.1974, c.50 (C.46:8-28). ²The
21 established fee may be increased to the extent permitted under
22 subsection (e) of section 13 of P.L.1967, c.76 (C.55:13A-13).²
23 Upon the receipt of said certificate of registration and fee, the
24 commissioner shall forthwith validate and issue to the owner of
25 such hotel or multiple dwelling a validated copy of the certificate of
26 registration, which validated copy shall be kept posted by the owner
27 of such hotel or multiple dwelling at all times in the lobby or other
28 conspicuous place on the premises. The posted certificate shall be
29 reasonably protected from removal, alteration, defacement or
30 damage by the elements in such manner as the commissioner may
31 prescribe.

32 (2) An owner required to file a certificate of registration
33 pursuant to paragraph (1) of this subsection shall annually file, on
34 or before July 1, ²or as established by rule by the commissioner,² a
35 certification confirming that the information on the certificate of
36 registration is current and accurate. Each annual certification shall
37 be accompanied by a reasonable fee established by rule by the
38 commissioner to cover the associated administrative costs. ²Once
39 established by rule, the fee may be increased to the extent permitted

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 underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCU committee amendments adopted January 17, 2019.

²Senate SBA committee amendments adopted March 18, 2019.

1 under subsection (e) of section 13 of P.L.1967, c.76 (C.55:13A-
2 13).²

3 (3) An owner required to file a certificate of registration
4 pursuant to paragraph (1) of this subsection shall file an amended
5 certificate of registration within 20 days after any change in the
6 information required to be included thereon. Each amended
7 certificate of registration shall be accompanied by a reasonable fee
8 established by rule by the commissioner to cover the associated
9 administrative costs. ²Once established by rule, the fee may be
10 increased to the extent permitted under subsection (e) of section 13
11 of P.L.1967, c.76 (C.55:13A-13).²

12 (b) The owner of each hotel, or of each multiple dwelling
13 occupied or intended to be occupied by three or more persons living
14 independently of each other shall appoint an agent for the purpose
15 of receiving service of process and such orders or notices as may be
16 issued by the commissioner pursuant to this act. Each such agent so
17 appointed shall be a resident of the county in which the hotel or
18 multiple dwelling is located or shall have an office in the county. If
19 the agent is a corporation, it shall be licensed to do business in this
20 State.

21 (c) In the case of any transfer of the ownership in any hotel, or
22 of any multiple dwelling occupied or intended to be occupied by
23 three or more persons living independently of each other, whether
24 by sale, assignment, gift, intestate succession, testate devolution,
25 reorganization, receivership, foreclosure or execution process, it
26 shall be the duty of the new owner thereof to file with the
27 commissioner, within 20 days of said transfer, a certificate of
28 registration pursuant to subsection (a) of this section, and to appoint
29 an agent for the service of process pursuant to subsection (b) of this
30 section.

31 (d) In any case whether the owner of a hotel or multiple
32 dwelling subject to the provisions of this act has not fulfilled the
33 requirements of this section, the commissioner shall notify the
34 owner of the violation of this section and order that registration be
35 accomplished within 30 days. The notice and order shall include an
36 accurate restatement of the subsection with which the owner has
37 not complied. If the owner has not complied with the order of the
38 commissioner within 30 days, he shall be liable for a penalty of
39 \$200.00 for each registration which the commissioner shall have
40 ordered. The commissioner may issue a certificate to the clerk of
41 the superior court that an owner is indebted for the payment of
42 such penalty and thereupon the clerk shall immediately enter upon
43 his record of docketed judgments the name of such owner, and of
44 the State, a designation of the statute under which the penalty is
45 imposed, the amount of the penalty so certified and the date such
46 certification was made. The making of the entry shall have the
47 same force and effect as the entry of the docketed judgment in the

1 office of such clerk, and the commissioner shall have all of the
2 remedies and maintain all of the proceedings for the collection
3 thereof which may be had or taken upon the recovery of a
4 judgment in a civil action, but without prejudice to the owner's right
5 of appeal.¹

6 (cf: P.L.1981, c.442, s.6)

7

8 ¹[1.] 2.¹ Section 13 of P.L.1967, c.76 (C.55:13A-13) is
9 amended to read as follows:

10 13. (a) Each multiple dwelling and each hotel shall be inspected
11 ¹[at least once in every] ¹[five] ¹[two years]¹ for the purpose of
12 determining the extent to which each hotel or multiple dwelling
13 complies with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.)
14 and regulations promulgated hereunder. ¹The commissioner shall
15 establish by regulation the frequency of inspections, which shall be
16 conducted as follows:

17 (1) each hotel shall be inspected at least once every five years;
18 and

19 (2) each multiple dwelling shall be categorized into the following
20 tiers based upon the number of reinspections required to abate the
21 violations that were served upon the owner following an initial
22 inspection:

23 (i) a multiple dwelling in which ²no violations are found or² all
24 violations have been abated by the first reinspection shall be placed
25 in the highest tier and shall next be inspected in seven years, and
26 the inspection fee shall be due at that time;

27 (ii) a multiple dwelling in which all violations have been abated
28 by the second or third reinspection shall be placed in the middle tier
29 and shall next be inspected in five years, and the inspection fee
30 shall be due at that time;

31 (iii) a multiple dwelling in which all violations have not been
32 abated by the third reinspection shall be placed in the lowest tier
33 and shall next be inspected in two years, and the inspection fee shall
34 be due at that time.

35 (3) notwithstanding the provisions of paragraph (2) of this
36 section to the contrary, if the commissioner determines that tiered
37 inspection schedules do not adequately protect the health and safety
38 of residents of multiple dwellings, the commissioner may, by
39 regulation, require that ²cyclical inspections for² multiple dwellings
40 ²[be inspected at least] occur² once every five years.¹

41 (b) Within ¹[90] 30¹ days of the most recent inspection, the
42 owner of each hotel shall file with the commissioner, upon forms
43 provided by the commissioner, an application for a certificate of
44 inspection. Said application shall include such information as the
45 commissioner shall prescribe to enforce the provisions of this law.
46 Said application shall be accompanied by a fee as follows: \$15 per
47 unit of dwelling space for the first 20 units of dwelling space in any

1 building or project, \$12 per unit of dwelling space for the 21st
2 through 100th unit in any building or project, \$8 per unit of
3 dwelling space for the 101st through 250th unit in any building or
4 project, and \$5 per unit of dwelling space for all units over 250 in
5 any building or project, except that in the case of hotels open and
6 operating less than six months in each year the fee shall be one-half
7 that which would otherwise be required ¹, or, as the case may be,
8 the fees established by rule for each of the foregoing pursuant to
9 subsection ²[e.] (e)² of this section¹. A certificate of inspection
10 and the fees therefor shall not be required more often than once
11 ¹[every]¹ [five] ¹[two years] each inspection cycle¹.

12 Additionally, there shall be reinspection fees for hotels in the
13 amount of \$10 for each dwelling unit reinspected ¹or, as the case
14 may be, the fees established by rule for each of the foregoing
15 pursuant to subsection ²[e.] (e)² of this section¹.

16 Within ¹[90] 30¹ days of the most recent inspection of any
17 multiple dwelling occupied or intended to be occupied by three or
18 more persons living independently of each other, the owner of each
19 such multiple dwelling shall file with the commissioner, upon forms
20 provided by the commissioner, an application for a certificate of
21 inspection. Said application shall include such information as the
22 commissioner shall prescribe to enforce the provisions of this law.
23 Said application shall be accompanied by a fee of \$33 per unit of
24 dwelling space for the first 7 units in any building or project, \$21
25 per unit of dwelling space for the 8th through the 24th unit in any
26 building or project, \$18 per unit for the 25th through the 48th unit
27 in any building or project, and \$12 per unit of dwelling space for all
28 units of dwelling space over 48 in any building or project, provided
29 that the maximum total fee for owner-occupied three-unit multiple
30 dwellings shall be limited to \$65 for owners having a household
31 income that is less than 80 percent of the median income for
32 households of similar size in the county in which the multiple
33 dwelling is located, and the maximum total fee for owner-occupied
34 four-unit multiple dwellings shall be limited to \$80 for owners
35 having a household income that is less than 80 percent of the
36 median income for households of similar size in the county in
37 which the multiple dwelling is located ¹, or, as the case may be, the
38 fees established by rule for each of the foregoing pursuant to
39 subsection ²[e.] (e)² of this section¹. A certificate of inspection
40 and the fees therefor shall not be required more often than once
41 ¹[every]¹ [five] ¹[two years] each inspection cycle¹.

42 Additionally, there shall be reinspection fees for multiple
43 dwellings in the amount of \$40 for each dwelling unit reinspected,
44 ¹or, as the case may be, the fees established by rule pursuant to
45 subsection ²[e.] (e)² of this section,¹ but only after the first
46 reinspection.

1 The commissioner may waive the inspection fee for any unit
2 upon a finding that the unit has been thoroughly inspected within
3 the previous 12-month period under a municipal ordinance
4 requiring inspection upon change of occupancy in accordance with
5 the maintenance standards established by the commissioner under
6 P.L.1967, c.76 (C.55:13A-1 et seq.), and has received a municipal
7 certificate of occupancy as a result of that inspection.

8 If the commissioner finds that (1) a building has been thoroughly
9 inspected prior to resale since the most recent inspection in
10 accordance with this section, (2) the inspection prior to resale was
11 conducted by the municipality in accordance with the maintenance
12 standards established by the commissioner under P.L.1967, c.76
13 (C.55:13A-1 et seq.), and (3) a municipal certificate of occupancy
14 was issued as a result of that inspection, the commissioner may
15 accept the inspection done prior to resale in lieu of a current
16 inspection under this section. If the commissioner accepts an
17 inspection prior to resale in lieu of a current inspection, no fee shall
18 be charged for any inspection done by the commissioner within
19 ~~five~~ ^{two} ~~the~~ years remaining in the applicable inspection
20 cycle after the date of the inspection so accepted.

21 (c) If the commissioner determines, as a result of the most
22 recent inspection of any hotel or multiple dwelling as required by
23 subsection (a) of this section, that any hotel or multiple dwelling
24 complies with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.)
25 and regulations promulgated hereunder, then the commissioner shall
26 issue to the owner thereof, upon receipt of the application and fee as
27 required by subsection (b) of this section, a certificate of inspection.
28 Any owner to whom a certificate of inspection is issued shall keep
29 said certificate posted in a conspicuous location in the hotel or
30 multiple dwelling to which the certificate applies. The certificate of
31 inspection shall be in such form as may be prescribed by the
32 commissioner.

33 The commissioner may, upon finding a consistent pattern of
34 compliance with the maintenance standards established under
35 P.L.1967, c.76 (C.55:13A-1 et seq.) in at least 20 percent of the
36 units in a building or project, issue a certificate of inspection for the
37 building or project, in which case the inspection fee shall be
38 charged on the basis of the number of units inspected.

39 The commissioner may by rule establish standards for self-
40 inspection by condominium associations exercising control over
41 buildings of not more than three stories, constructed after 1976, and
42 certified by the local enforcing agency having jurisdiction as being
43 in compliance with the Uniform Fire Code promulgated pursuant to
44 P.L.1983, c.383 (C.52:27D-192 et seq.), in which at least 80 percent
45 of the dwelling units are occupied by the unit owners. The
46 commissioner shall issue a certificate of acceptance, which shall be

1 in lieu of a certificate of inspection, upon acceptance of any such
2 self-inspection and upon payment of a fee of \$25.

3 (d) If the commissioner determines, as a result of the most
4 recent inspection of any hotel or multiple dwelling as required by
5 subsection (a) of this section, that any hotel or multiple dwelling
6 does not comply with the provisions of P.L.1967, c.76 (C.55:13A-1
7 et seq.) and regulations promulgated thereunder, then the
8 commissioner shall issue to the owner thereof a written notice
9 stating the manner in which any such hotel or multiple dwelling
10 does not comply with P.L.1967, c.76 (C.55:13A-1 et seq.) or
11 regulations promulgated thereunder. Said notice shall fix such date,
12 not less than 60 days nor more than 180 days, on or before which
13 any such hotel or multiple dwelling must comply with the
14 provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations
15 promulgated thereunder. If any such hotel or multiple dwelling is
16 made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1
17 et seq.) and regulations promulgated thereunder on or before the
18 date fixed in said notice, then the commissioner shall issue to the
19 owner thereof a certificate of inspection as described in subsection
20 (c) of this section. If any such hotel or multiple dwelling is not
21 made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1
22 et seq.) and regulations promulgated thereunder on or before the
23 date fixed in said notice, then the commissioner shall not issue to
24 the owner thereof a certificate of inspection as described in
25 subsection (c) of this section, and shall enforce the provisions of
26 P.L.1967, c.76 (C.55:13A-1 et seq.) against the owner thereof.

27 (e) The commissioner shall annually review the cost of
28 implementing and enforcing P.L.1967, c.76 (C.55:13A-1 et seq.),
29 including the cost to municipalities of carrying out inspections
30 pursuant to section 21 of P.L.1967, c.76 (C.55:13A-21), and shall
31 establish by rule, not more frequently than once every three years,
32 such fees as may be necessary to cover the costs of such
33 implementation and enforcement; provided, however, that any
34 increase or decrease shall be applied as a uniform percentage to
35 each category of fee established herein, and provided, further, that
36 the percentage amount of any increase shall not exceed the
37 percentage increase in salaries paid to State employees since the
38 then current fee schedule was established. The commissioner shall
39 provide by rule to owners the option of paying inspection fees in
40 installments in the form of an annual fee. The commissioner shall
41 annually prepare and file with the presiding officers of the Senate
42 and General Assembly and the legislative committees having
43 jurisdiction in housing matters a report setting forth the amounts of
44 fees and penalties received by the Bureau of Housing Inspection,
45 the cost to the bureau of enforcing ¹**[this act]** P.L.1967, c.76
46 (C.55:13A-1 et seq.)¹, and information concerning the productivity
47 of the bureau. Copies of the report shall also be submitted to the

1 Office of Administrative Law for publication in the New Jersey
2 Register. If in any State fiscal year the fee revenue received by the
3 bureau exceeds the cost of enforcement of P.L.1967, c.76
4 (C.55:13A-1 et seq.), the excess revenue shall be distributed pro
5 rata to persons who paid inspection fees during that fiscal year.
6 Such distribution shall be made within three months after the end of
7 the fiscal year.

8 (f) Except as otherwise provided in section 2 of P.L.1991, c.179
9 (C.55:13A-26.1), the fees established by or pursuant to the
10 provisions of this section are dedicated to meeting the costs of
11 implementing and enforcing P.L.1967, c.76 (C.55:13A-1 et seq.)
12 and shall not be used for any other purpose. All receipts in excess
13 of \$2,200,000 are hereby appropriated for the purposes of P.L.1967,
14 c.76 (C.55:13A-1 et seq.).
15 (cf: P.L.2013, c.253, s.56)
16

17 ¹3. Section 20 of P.L.1967, c.76 (C.55:13A-20) is amended to
18 read as follows:

19 20. (a) Notices, rules, decisions, and orders required or
20 permitted to be issued and served pursuant to **【this act】** P.L.1967,
21 c.76 (C.55:13A-1 et seq.) shall be served as follows:

22 (1). On the owner:

23 (i) By mailing same by certified or ordinary mail **【**, return
24 receipt requested,**】** to the person designated as owner or agent on
25 the certificate of registration or in the municipal tax records or in
26 the records of the **【Secretary of State.】** Department of the Treasury;
27 or

28 (ii) **【If the above certified mailing is returned, the original letter**
29 **shall be remailed to the last known address by common mail】** By
30 servicing same on the owner, or upon a person authorized to accept
31 service on behalf of the owner in a civil matter, in accordance with
32 the Rules of Court.

33 (2). On the occupant:

34 (i) By mailing same by certified or ordinary mail **【**, return
35 receipt requested,**】** to said occupant**【, or】** ;

36 (ii) **【If the above certified mailing is returned the original letter**
37 **shall be remailed to the last known address by common mail.**

38 (b) Rules, Decisions and Orders required or permitted to be
39 issued and served pursuant to this act shall be served as follows:

40 (1). On the owner:

41 (i) By mailing same by certified mail, return receipt requested,
42 to the person designated as owner or agent on the certificate or
43 registration or in the municipal tax records or in the records of the
44 Secretary of State.

45 (ii) **【By serving same on the 【Secretary of State】** Department of
46 the Treasury, who shall be deemed the owner's agent for service of

1 process, provided however, that reasonable efforts have first been
2 made to serve the owner or his agent by certified mail and that a
3 copy of such notice is posted in a conspicuous location on the
4 premises. "Conspicuous location" shall include the walls of the
5 front vestibule or in any common foyer or hallway immediately
6 inside the main front entrance[.]

7 (2). On the occupant:

8 (i) By mailing same by certified mail, return receipt requested,
9 addressed to the occupant at the premises, or

10 (ii) ~~]~~ ; ~~or~~

11 ~~(iii)~~ By leaving same at the dwelling unit of the occupant with a
12 ~~[person]~~ competent member of the household of the age of 14 or
13 over.

14 ~~[(c)]~~ ~~(b)~~ The date of service shall be considered the date of
15 personal service, the date of other method of service authorized
16 under this section, or the date of the third day after mailing,
17 whichever occurs ~~[later]~~ first.¹

18 (cf: P.L.1970, c.138, s.12)

19

20 ¹~~[2.]~~ 4.¹ This act shall take effect immediately and shall be first
21 applicable to the next new inspection cycle for a hotel or multiple
22 dwelling following the date of enactment.

23

24

25

26

27 _____
28 Authorizes DCA to establish flexible multiple dwelling
29 inspection schedule; requires multiple dwelling owners to file
certain registrations.

SENATE, No. 1150

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JANUARY 25, 2018

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Senator BRIAN P. STACK

District 33 (Hudson)

SYNOPSIS

Requires hotel and multiple dwelling inspections every two years.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/1/2018)

1 AN ACT increasing the frequency of hotel and multiple dwelling
2 inspections and amending P.L.1967, c.76.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 13 of P.L.1967, c.76 (C.55:13A-13) is amended to
8 read as follows:

9 13. (a) Each multiple dwelling and each hotel shall be inspected
10 at least once in every **[five]** two years for the purpose of
11 determining the extent to which each hotel or multiple dwelling
12 complies with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.)
13 and regulations promulgated hereunder.

14 (b) Within 90 days of the most recent inspection, the owner of
15 each hotel shall file with the commissioner, upon forms provided by
16 the commissioner, an application for a certificate of inspection.
17 Said application shall include such information as the commissioner
18 shall prescribe to enforce the provisions of this law. Said
19 application shall be accompanied by a fee as follows: \$15 per unit
20 of dwelling space for the first 20 units of dwelling space in any
21 building or project, \$12 per unit of dwelling space for the 21st
22 through 100th unit in any building or project, \$8 per unit of
23 dwelling space for the 101st through 250th unit in any building or
24 project, and \$5 per unit of dwelling space for all units over 250 in
25 any building or project, except that in the case of hotels open and
26 operating less than six months in each year the fee shall be one-half
27 that which would otherwise be required. A certificate of inspection
28 and the fees therefor shall not be required more often than once
29 every **[five]** two years.

30 Additionally, there shall be reinspection fees for hotels in the
31 amount of \$10 for each dwelling unit reinspected.

32 Within 90 days of the most recent inspection of any multiple
33 dwelling occupied or intended to be occupied by three or more
34 persons living independently of each other, the owner of each such
35 multiple dwelling shall file with the commissioner, upon forms
36 provided by the commissioner, an application for a certificate of
37 inspection. Said application shall include such information as the
38 commissioner shall prescribe to enforce the provisions of this law.
39 Said application shall be accompanied by a fee of \$33 per unit of
40 dwelling space for the first 7 units in any building or project, \$21
41 per unit of dwelling space for the 8th through the 24th unit in any
42 building or project, \$18 per unit for the 25th through the 48th unit
43 in any building or project, and \$12 per unit of dwelling space for all
44 units of dwelling space over 48 in any building or project, provided
45 that the maximum total fee for owner-occupied three-unit multiple

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 underlined thus is new matter.

1 dwellings shall be limited to \$65 for owners having a household
2 income that is less than 80 percent of the median income for
3 households of similar size in the county in which the multiple
4 dwelling is located, and the maximum total fee for owner-occupied
5 four-unit multiple dwellings shall be limited to \$80 for owners
6 having a household income that is less than 80 percent of the
7 median income for households of similar size in the county in
8 which the multiple dwelling is located. A certificate of inspection
9 and the fees therefor shall not be required more often than once
10 every **[five]** two years.

11 Additionally, there shall be reinspection fees for multiple
12 dwellings in the amount of \$40 for each dwelling unit reinspected,
13 but only after the first reinspection.

14 The commissioner may waive the inspection fee for any unit
15 upon a finding that the unit has been thoroughly inspected within
16 the previous 12-month period under a municipal ordinance
17 requiring inspection upon change of occupancy in accordance with
18 the maintenance standards established by the commissioner under
19 P.L.1967, c.76 (C.55:13A-1 et seq.), and has received a municipal
20 certificate of occupancy as a result of that inspection.

21 If the commissioner finds that (1) a building has been thoroughly
22 inspected prior to resale since the most recent inspection in
23 accordance with this section, (2) the inspection prior to resale was
24 conducted by the municipality in accordance with the maintenance
25 standards established by the commissioner under P.L.1967, c.76
26 (C.55:13A-1 et seq.), and (3) a municipal certificate of occupancy
27 was issued as a result of that inspection, the commissioner may
28 accept the inspection done prior to resale in lieu of a current
29 inspection under this section. If the commissioner accepts an
30 inspection prior to resale in lieu of a current inspection, no fee shall
31 be charged for any inspection done by the commissioner within
32 **[five]** two years after the date of the inspection so accepted.

33 (c) If the commissioner determines, as a result of the most
34 recent inspection of any hotel or multiple dwelling as required by
35 subsection (a) of this section, that any hotel or multiple dwelling
36 complies with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.)
37 and regulations promulgated hereunder, then the commissioner shall
38 issue to the owner thereof, upon receipt of the application and fee as
39 required by subsection (b) of this section, a certificate of inspection.
40 Any owner to whom a certificate of inspection is issued shall keep
41 said certificate posted in a conspicuous location in the hotel or
42 multiple dwelling to which the certificate applies. The certificate of
43 inspection shall be in such form as may be prescribed by the
44 commissioner.

45 The commissioner may, upon finding a consistent pattern of
46 compliance with the maintenance standards established under
47 P.L.1967, c.76 (C.55:13A-1 et seq.) in at least 20 percent of the
48 units in a building or project, issue a certificate of inspection for the

1 building or project, in which case the inspection fee shall be
2 charged on the basis of the number of units inspected.

3 The commissioner may by rule establish standards for self-
4 inspection by condominium associations exercising control over
5 buildings of not more than three stories, constructed after 1976, and
6 certified by the local enforcing agency having jurisdiction as being
7 in compliance with the Uniform Fire Code promulgated pursuant to
8 P.L.1983, c.383 (C.52:27D-192 et seq.), in which at least 80 percent
9 of the dwelling units are occupied by the unit owners. The
10 commissioner shall issue a certificate of acceptance, which shall be
11 in lieu of a certificate of inspection, upon acceptance of any such
12 self-inspection and upon payment of a fee of \$25.

13 (d) If the commissioner determines, as a result of the most
14 recent inspection of any hotel or multiple dwelling as required by
15 subsection (a) of this section, that any hotel or multiple dwelling
16 does not comply with the provisions of P.L.1967, c.76 (C.55:13A-1
17 et seq.) and regulations promulgated thereunder, then the
18 commissioner shall issue to the owner thereof a written notice
19 stating the manner in which any such hotel or multiple dwelling
20 does not comply with P.L.1967, c.76 (C.55:13A-1 et seq.) or
21 regulations promulgated thereunder. Said notice shall fix such date,
22 not less than 60 days nor more than 180 days, on or before which
23 any such hotel or multiple dwelling must comply with the
24 provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations
25 promulgated thereunder. If any such hotel or multiple dwelling is
26 made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1
27 et seq.) and regulations promulgated thereunder on or before the
28 date fixed in said notice, then the commissioner shall issue to the
29 owner thereof a certificate of inspection as described in subsection
30 (c) of this section. If any such hotel or multiple dwelling is not
31 made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1
32 et seq.) and regulations promulgated thereunder on or before the
33 date fixed in said notice, then the commissioner shall not issue to
34 the owner thereof a certificate of inspection as described in
35 subsection (c) of this section, and shall enforce the provisions of
36 P.L.1967, c.76 (C.55:13A-1 et seq.) against the owner thereof.

37 (e) The commissioner shall annually review the cost of
38 implementing and enforcing P.L.1967, c.76 (C.55:13A-1 et seq.),
39 including the cost to municipalities of carrying out inspections
40 pursuant to section 21 of P.L.1967, c.76 (C.55:13A-21), and shall
41 establish by rule, not more frequently than once every three years,
42 such fees as may be necessary to cover the costs of such
43 implementation and enforcement; provided, however, that any
44 increase or decrease shall be applied as a uniform percentage to
45 each category of fee established herein, and provided, further, that
46 the percentage amount of any increase shall not exceed the
47 percentage increase in salaries paid to State employees since the
48 then current fee schedule was established. The commissioner shall

1 provide by rule to owners the option of paying inspection fees in
2 installments in the form of an annual fee. The commissioner shall
3 annually prepare and file with the presiding officers of the Senate
4 and General Assembly and the legislative committees having
5 jurisdiction in housing matters a report setting forth the amounts of
6 fees and penalties received by the Bureau of Housing Inspection,
7 the cost to the bureau of enforcing this act, and information
8 concerning the productivity of the bureau. Copies of the report
9 shall also be submitted to the Office of Administrative Law for
10 publication in the New Jersey Register. If in any State fiscal year
11 the fee revenue received by the bureau exceeds the cost of
12 enforcement of P.L.1967, c.76 (C.55:13A-1 et seq.), the excess
13 revenue shall be distributed pro rata to persons who paid inspection
14 fees during that fiscal year. Such distribution shall be made within
15 three months after the end of the fiscal year.

16 (f) Except as otherwise provided in section 2 of P.L.1991, c.179
17 (C.55:13A-26.1), the fees established by or pursuant to the
18 provisions of this section are dedicated to meeting the costs of
19 implementing and enforcing P.L.1967, c.76 (C.55:13A-1 et seq.)
20 and shall not be used for any other purpose. All receipts in excess
21 of \$2,200,000 are hereby appropriated for the purposes of P.L.1967,
22 c.76 (C.55:13A-1 et seq.).
23 (cf: P.L.2013, c.253, s.56)

24
25 2. This act shall take effect immediately and shall be first
26 applicable to the next new inspection cycle for a hotel or multiple
27 dwelling following the date of enactment.

28
29

30 STATEMENT

31

32 This bill would increase the frequency of inspections under the
33 "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et
34 seq.), from once every five years to once every two years. The
35 additional oversight provided by having more frequent inspections
36 would help ensure that hotels and multiple dwellings are continually
37 meeting applicable health and safety building requirements.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1150

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 17, 2019

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 1150, with committee amendments.

As amended, this bill would authorize flexible multiple dwelling inspection schedules and provide greater flexibility in the enforcement of the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.).

Current law requires the Department of Community Affairs to inspect multiple dwellings at least once every five years. This bill would allow the department to establish less frequent inspection schedules for multiple dwellings in which all violations have been abated by the first reinspection, and more frequent schedules for multiple dwellings in which all violations have not been abated by the third reinspection. For the former category, a multiple dwelling would next be inspected in seven years. For the latter category, a multiple dwelling would next be inspected in two years. Multiple dwellings that fall in between these categories would next be inspected in five years.

The bill also would require owners of hotels and multiple dwellings to annually file certifications confirming that the information on their certificates of registration is current and accurate. Hotel and multiple dwelling owners also would be newly required to file an amended certificate of registration within 20 days of any change in the information required to be included on their certificates of registration. The department would be authorized to establish reasonable fees for these filings to cover the administrative costs associated with processing the filings.

Lastly, the bill would simplify the process for serving notices, rules, decisions, and orders under the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.). The bill would newly permit service upon owners and occupants by ordinary mail. Notices, rules, decisions, and orders also may newly be served upon owners or their agents by personal service. These items also may be newly served upon occupants by service upon the State Treasurer in certain circumstances or delivery at the dwelling unit of the occupant with a competent member of the household who is at least 14 years of age.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- authorize the Department of Community Affairs to establish a tiered inspection schedule for multiple dwellings based on the track record of abating violations;
- require owners of hotels and multiple dwellings to annually file certifications confirming that the information on their certificates of registration is current and accurate;
- require owners of hotels and multiple dwellings to file an amended certificate of registration within 20 days of any change in the information required to be included on their certificates of registration;
- clarify the authority of the Department of Community Affairs to set certain fees by regulation; and
- simplify the process for serving notices, rules, decisions, and orders under the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.).

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1150

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 18, 2019

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1150 (1R), with committee amendments.

As amended, this bill authorizes flexible multiple dwelling inspection schedules and provide greater flexibility in the enforcement of the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.).

Current law requires the Department of Community Affairs to inspect multiple dwellings at least once every five years. This bill would allow the department to establish less frequent inspection schedules for multiple dwellings in which no violations are found or all violations have been abated by the first reinspection, and more frequent schedules for multiple dwellings in which all violations have not been abated by the third reinspection. For the former category, a multiple dwelling would next be inspected in seven years. For the latter category, a multiple dwelling would next be inspected in two years. Multiple dwellings that fall in between these categories would next be inspected in five years. The department would be able to re-establish the five-year cyclical inspection schedule.

The bill also would require owners of hotels and multiple dwellings to annually file certifications confirming that the information on their certificates of registration is current and accurate. Hotel and multiple dwelling owners also would be newly required to file an amended certificate of registration within 20 days of any change in the information required to be included on their certificates of registration. The department would be authorized to establish reasonable fees for these filings to cover the administrative costs associated with processing the filings.

Lastly, the bill would simplify the process for serving notices, rules, decisions, and orders under the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.). The bill would newly permit service upon owners and occupants by ordinary mail. Notices, rules, decisions, and orders also may newly be served upon owners or their agents by personal service. These items also may be newly served upon occupants by service upon the State Treasurer in certain

circumstances or delivery at the dwelling unit of the occupant with a competent member of the household who is at least 14 years of age.

COMMITTEE AMENDMENTS:

The amendments:

- provide that any increase in the fees the Department of Community Affairs may establish by regulation be consistent with certain limitations in existing law; and
- clarify that if no violations are found for a multiple dwelling at a cyclical inspection, the multiple dwelling would next be inspected in seven years.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill would result in an indeterminate fiscal impact on the Department of Community Affairs (DCA) associated with the tiered inspection schedule for multiple dwellings, the collection of additional fees, and the revised process for serving certain documents under the "Hotel and Multiple Dwelling Law."

Most notably, the bill authorizes the DCA to establish a tiered inspection schedule for multiple dwellings under the "Hotel and Multiple Dwelling Law," in which multiple dwellings would be inspected on a seven-year, five-year, or two-year basis, depending on the rate at which property violations are abated. Because the OLS cannot predict the rate of property violation abatements, the OLS is unable to quantify the anticipated fiscal impact of the tiered inspection system. However, if the tier system is implemented, the DCA could experience increases or decreases in revenues and expenditures depending on the number of multiple dwellings qualifying under each inspection tier. Under current law, the department may update its fees periodically to ensure that revenues offset costs, so gains or losses of revenue may be temporary.

Additionally, the bill could result in an indeterminate increase in DCA revenue associated with additional fee collections. Specifically, the bill requires the owners of hotels and multiple dwellings to (1) annual certify the accuracy of information contained in certificates of registration, and (2) file amended certificates of registration in certain circumstances. Under the bill, the DCA would collect fees to cover the administrative costs associated with each of these filings.

The bill could also result in an indeterminate decrease in DCA expenditures associated with the revised process for serving certain documents. Currently, the DCA is required to first serve notices under the "Hotel and Multiple Dwelling Law" by certified mail. By no longer requiring these documents to be served by certified mail, the bill could decrease certain administrative expenses of the DCA.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 1150 STATE OF NEW JERSEY 218th LEGISLATURE

DATED: MARCH 29, 2019

SUMMARY

- Synopsis:** Authorizes DCA to establish flexible multiple dwelling inspection schedule; requires multiple dwelling owners to file certain registrations.
- Type of Impact:** Indeterminate impact on State finances.
- Agencies Affected:** Department of Community Affairs.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Finances		Indeterminate Impact	

- The Office of Legislative Services (OLS) estimates that the bill would result in an indeterminate fiscal impact on the Department of Community Affairs (DCA) associated with the tiered inspection schedule for multiple dwellings, the collection of additional fees, and the revised process for serving certain documents under the "Hotel and Multiple Dwelling Law."
- Most notably, the bill authorizes the DCA to establish a tiered inspection schedule for multiple dwellings under the "Hotel and Multiple Dwelling Law," in which multiple dwellings would be inspected on a seven-year, five-year, or two-year basis, depending on the rate at which property violations are abated.
- Because the OLS cannot predict the rate of property violation abatements, the OLS is unable to quantify the anticipated fiscal impact of the tiered inspection system. However, if implemented, the DCA is expected to experience increases or decreases in revenues and expenditures depending on the number of multiple dwellings qualifying under each inspection tier. Given that the DCA may periodically update inspection fees to ensure that revenues offset costs, any increase or decrease in revenue is expected to be temporary.
- Additionally, the bill could result in an indeterminate increase in DCA revenue associated with additional fee collections. Specifically, the bill requires the owners of hotels and

multiple dwellings to (1) annually certify the accuracy of information contained in certificates of registration, and (2) file amended certificates of registration in certain circumstances. Under the bill, the DCA would collect fees to cover the administrative costs associated with each of these filings.

- The bill could also result in an indeterminate decrease in DCA expenditures associated with the revised process for serving certain documents. Currently, the DCA is required to first serve notices under the "Hotel and Multiple Dwelling Law" by certified mail. By no longer requiring these documents to be served by certified mail, the bill could decrease certain administrative expenses of the DCA.

BILL DESCRIPTION

The bill authorizes the Department of Community Affairs (DCA) to establish tiered inspection schedules for multiple dwelling units and provide reasonable fee increases under the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.).

Under current law, the DCA inspects multiple dwellings at least once every five years. The bill permits the DCA to establish the following tiered inspection schedule for multiple dwellings: (1) multiple dwellings in which no violations are found or all violations are abated before the first reinspection, would be next inspected in seven years, (2) multiple dwellings in which all violations are abated before the second or third reinspection would be next inspected in five years, and (3) multiple dwellings in which all violations are not abated before the third reinspection would be next inspected in two years. However, the bill also authorizes the DCA to inspect all multiple dwellings on a five-year cyclical basis if such inspections are determined by the Commissioner of Community Affairs to be in the best interest of the health and safety of multiple dwelling residents. Additionally, the bill clarifies the authority of the DCA to increase inspection fees by regulation.

The bill also requires the owners of hotels and multiple dwellings to annually certify that the information contained in their certificates of registration is current and accurate. Under the bill, these persons would also be required to file an amended certificate of registration within 20 days of any change in the information included on their certificates of registration. The bill authorizes the DCA to establish reasonable fees to defray the administrative costs associated with processing these filings. Once established, the DCA may also increase these fees to the extent permitted under current law.

In addition, the bill revises the process for serving notices, rules, decisions, and orders under the "Hotel and Multiple Dwelling Law." The bill permits service of these documents upon owners and occupants by ordinary mail. These documents also may be served upon owners or their agents by personal service. Additionally, the documents may be served upon occupants by service upon the State Treasurer in certain circumstances or delivery at the dwelling unit of the occupant with a competent member of the household who is at least 14 years of age.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the enactment of the bill would have an indeterminate fiscal impact on the Department of Community Affairs (DCA) associated with the implementation of a tiered inspection schedule for multiple dwellings under the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.). Additionally, the bill could also result in (1) an indeterminate increase in DCA revenue associated with the collection of certain additional fees, and (2) an indeterminate decrease in DCA expenditures associated with the revised process for serving documents under the "Hotel and Multiple Dwelling Law."

Tiered Inspections of Multiple Dwellings

Most notably, the bill authorizes the DCA to establish and implement a tiered inspection schedule for multiple dwellings under the "Hotel and Multiple Dwelling Law." Currently, all multiple dwellings are inspected under the law on a five-year basis. As authorized by the bill, the DCA may inspect multiple dwellings as follows: (1) multiple dwellings in which no violations are found or all violations are abated before the first reinspection would be next inspected in seven years, (2) multiple dwellings in which all violations are abated before the second or third reinspection would be next inspected in five years, and (3) multiple dwellings in which all violations are not abated before the third reinspection would be next inspected in two years. The bill also clarifies the authority of the DCA to increase inspection fees.

The Bureau of Housing Inspection in the Division of Codes and Standards within the DCA conducts the registration and inspection of hotels and multiple dwellings under the "Hotel and Multiple Dwelling Law." If the DCA implemented tiered inspections, the bureau could experience increases or decreases in revenues and expenditures depending on the number of multiple dwellings qualifying under each inspection tier. For example, if a disproportionate number of multiple dwellings are inspected on a seven-year basis, then the bureau would be expected to annually inspect fewer multiple dwellings, thereby reducing the bureau's inspection costs and fee receipts. Alternatively, if a disproportionate number of multiple dwellings required two-year inspections, then the annual inspection costs and fee receipts of the bureau would be expected to increase due to the increased demand for inspections. Because the DCA is currently authorized to update inspection fees periodically to ensure that revenues offset costs, any increase or decrease in revenue resulting from the tiered inspections is expected to be temporary.

The OLS is unable to determine the rate at which multiple dwelling owners will abate property violations. Consequently, the OLS cannot determine the number of multiple dwelling units that would qualify under each inspection tier. However, according to testimony before the Assembly Housing and Community Development Committee on March 7, 2019 concerning Assembly Bill No. 5041, the identical Assembly counterpart to this bill, the New Jersey Apartment Association estimates that 60 percent of multiple dwellings would qualify under the five-year inspection tier established by this bill. If this estimate is accurate, the fiscal impact of the tiered inspection schedule is expected to be moderate.

The OLS also notes that the bill authorizes the DCA to inspect all multiple dwellings on a five-year cyclical basis if such inspections are determined by the Commissioner of Community Affairs to be in the best interest of the health and safety of multiple dwelling residents. In this event, the provisions of the bill concerning the tiered inspection schedule would not have a fiscal impact on the DCA.

Fee Collections

The DCA is also expected to experience an indeterminate increase in revenue associated with the collection of certain additional fees. Specifically, the bill requires the owners of hotels and

multiple dwellings to annually file a certification confirming that the information contained in their certificate of registration is current and accurate. The bill also requires amended certificates of registration to be filed within 20 days of any change in the information included in the certificate of registration. Most importantly, the bill authorizes DCA to establish reasonable fees, and subsequently increase those fees to the extent permitted under law, in order to defray the administrative costs associated with processing these filings. As a result, the increase in revenue that would result from these fee collections is required to be offset by a corresponding increase in administrative expenses.

According to data provided in the Fiscal Year 2019 “Detailed Budget,” the Executive Branch estimates that 96,759 buildings are registered under the “Hotel and Multiple Dwelling Law” in Fiscal Year 2019. However, given the discretionary nature of the fee rates, the OLS is unable to predict the increase in revenue that is expected to result from these additional fee collections.

Revised Service of Documents

The bill could also result in an indeterminate decrease in DCA expenditures associated with the revised process for serving certain documents. Under the bill, notices, rules, decisions, or orders issued pursuant to the “Hotel and Multiple Dwelling Law” may be serviced upon owners and occupants by ordinary mail. These documents also may be served by personal service upon owners or their agents, and in certain circumstances, a competent member of the occupant’s household. Under current law, the DCA is required to first serve notices by certified mail. By no longer requiring the service of these documents through certified mail, the bill could decrease certain administrative expenses of the DCA.

Section: Local Government

Analyst: Joseph A. Pezzulo
Assistant Research Analyst

Approved: Frank W. Haines III
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 5041

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED FEBRUARY 14, 2019

Sponsored by:

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Co-Sponsored by:

Assemblyman Verrelli, Assemblywomen Speight and Jimenez

SYNOPSIS

Authorizes DCA to establish flexible multiple dwelling inspection schedule; requires multiple dwelling owners to file certain registrations.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/24/2019)

A5041 REYNOLDS-JACKSON, WIMBERLY

2

1 AN ACT concerning hotel and multiple dwelling inspections and
2 registrations, and amending P.L.1967, c.76.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 12 of P.L.1967, c.76 (C.55:13A-12) is amended to
8 read as follows:

9 12. (a) (1) The owner of each hotel, or of each multiple
10 dwelling occupied or intended to be occupied by three or more
11 persons living independently of each other, shall file with the
12 commissioner, upon forms provided by the commissioner, a
13 certificate of registration. Each such certificate of registration shall
14 be accompanied by a reasonable fee [of \$10.00] established by rule
15 by the commissioner to cover the associated administrative costs
16 and shall include such information as the commissioner shall
17 prescribe to enforce the provisions of this law; provided, however,
18 that in the case of a multiple dwelling, the information required
19 shall be at least that required pursuant to section 2 of P.L.1974, c.
20 50 (C. 46:8-28). Upon the receipt of said certificate of registration
21 and fee, the commissioner shall forthwith validate and issue to the
22 owner of such hotel or multiple dwelling a validated copy of the
23 certificate of registration, which validated copy shall be kept posted
24 by the owner of such hotel or multiple dwelling at all times in the
25 lobby or other conspicuous place on the premises. The posted
26 certificate shall be reasonably protected from removal, alteration,
27 defacement or damage by the elements in such manner as the
28 commissioner may prescribe.

29 (2) An owner required to file a certificate of registration
30 pursuant to paragraph (1) of this subsection shall annually file, on
31 or before July 1, a certification confirming that the information on
32 the certificate of registration is current and accurate. Each annual
33 certification shall be accompanied by a reasonable fee established
34 by rule by the commissioner to cover the associated administrative
35 costs.

36 (3) An owner required to file a certificate of registration
37 pursuant to paragraph (1) of this subsection shall file an amended
38 certificate of registration within 20 days after any change in the
39 information required to be included thereon. Each amended
40 certificate of registration shall be accompanied by a reasonable fee
41 established by rule by the commissioner to cover the associated
42 administrative costs.

43 (b) The owner of each hotel, or of each multiple dwelling
44 occupied or intended to be occupied by three or more persons living
45 independently of each other shall appoint an agent for the purpose

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 underlined thus is new matter.

A5041 REYNOLDS-JACKSON, WIMBERLY

1 of receiving service of process and such orders or notices as may be
2 issued by the commissioner pursuant to this act. Each such agent so
3 appointed shall be a resident of the county in which the hotel or
4 multiple dwelling is located or shall have an office in the county. If
5 the agent is a corporation, it shall be licensed to do business in this
6 State.

7 (c) In the case of any transfer of the ownership in any hotel, or
8 of any multiple dwelling occupied or intended to be occupied by
9 three or more persons living independently of each other, whether
10 by sale, assignment, gift, intestate succession, testate devolution,
11 reorganization, receivership, foreclosure or execution process, it
12 shall be the duty of the new owner thereof to file with the
13 commissioner, within 20 days of said transfer, a certificate of
14 registration pursuant to subsection (a) of this section, and to appoint
15 an agent for the service of process pursuant to subsection (b) of this
16 section.

17 (d) In any case whether the owner of a hotel or multiple
18 dwelling subject to the provisions of this act has not fulfilled the
19 requirements of this section, the commissioner shall notify the
20 owner of the violation of this section and order that registration be
21 accomplished within 30 days. The notice and order shall include an
22 accurate restatement of the subsection with which the owner has
23 not complied. If the owner has not complied with the order of the
24 commissioner within 30 days, he shall be liable for a penalty of
25 \$200.00 for each registration which the commissioner shall have
26 ordered. The commissioner may issue a certificate to the clerk of
27 the superior court that an owner is indebted for the payment of such
28 penalty and thereupon the clerk shall immediately enter upon his
29 record of docketed judgments the name of such owner, and of the
30 State, a designation of the statute under which the penalty is
31 imposed, the amount of the penalty so certified and the date such
32 certification was made. The making of the entry shall have the
33 same force and effect as the entry of the docketed judgment in the
34 office of such clerk, and the commissioner shall have all of the
35 remedies and maintain all of the proceedings for the collection
36 thereof which may be had or taken upon the recovery of a
37 judgment in a civil action, but without prejudice to the owner's right
38 of appeal.

39 (cf: P.L.1981, c.442, s.6)

40

41 2. Section 13 of P.L.1967, c.76 (C.55:13A-13) is amended to
42 read as follows:

43 13. (a) Each multiple dwelling and each hotel shall be inspected
44 **【at least once in every five years】** for the purpose of determining
45 the extent to which each hotel or multiple dwelling complies with
46 the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and
47 regulations promulgated hereunder. The commissioner shall

1 establish by regulation the frequency of inspections, which shall be
2 conducted as follows:

3 (1) each hotel shall be inspected at least once every five years;
4 and

5 (2) each multiple dwelling shall be categorized into the following
6 tiers based upon the number of reinspections required to abate the
7 violations that were served upon the owner following an initial
8 inspection:

9 (i) a multiple dwelling in which all violations have been abated
10 by the first reinspection shall be placed in the highest tier and shall
11 next be inspected in seven years, and the inspection fee shall be due
12 at that time;

13 (ii) a multiple dwelling in which all violations have been abated
14 by the second or third reinspection shall be placed in the middle tier
15 and shall next be inspected in five years, and the inspection fee
16 shall be due at that time;

17 (iii) a multiple dwelling in which all violations have not been
18 abated by the third reinspection shall be placed in the lowest tier
19 and shall next be inspected in two years, and the inspection fee shall
20 be due at that time.

21 (3) notwithstanding the provisions of paragraph (2) of this
22 section to the contrary, if the commissioner determines that tiered
23 inspection schedules do not adequately protect the health and safety
24 of residents of multiple dwellings, the commissioner may, by
25 regulation, require that multiple dwellings be inspected at least once
26 every five years.

27 (b) Within **[90]** 30 days of the most recent inspection, the
28 owner of each hotel shall file with the commissioner, upon forms
29 provided by the commissioner, an application for a certificate of
30 inspection. Said application shall include such information as the
31 commissioner shall prescribe to enforce the provisions of this law.
32 Said application shall be accompanied by a fee as follows: \$15 per
33 unit of dwelling space for the first 20 units of dwelling space in any
34 building or project, \$12 per unit of dwelling space for the 21st
35 through 100th unit in any building or project, \$8 per unit of
36 dwelling space for the 101st through 250th unit in any building or
37 project, and \$5 per unit of dwelling space for all units over 250 in
38 any building or project, except that in the case of hotels open and
39 operating less than six months in each year the fee shall be one-half
40 that which would otherwise be required, or, as the case may be, the
41 fees established by rule for each of the foregoing pursuant to
42 subsection e. of this section. A certificate of inspection and the fees
43 therefor shall not be required more often than once **[every five**
44 **years]** each inspection cycle.

45 Additionally, there shall be reinspection fees for hotels in the
46 amount of \$10 for each dwelling unit reinspected or, as the case
47 may be, the fees established by rule for each of the foregoing
48 pursuant to subsection e. of this section.

1 Within **[90]** 30 days of the most recent inspection of any
2 multiple dwelling occupied or intended to be occupied by three or
3 more persons living independently of each other, the owner of each
4 such multiple dwelling shall file with the commissioner, upon forms
5 provided by the commissioner, an application for a certificate of
6 inspection. Said application shall include such information as the
7 commissioner shall prescribe to enforce the provisions of this law.
8 Said application shall be accompanied by a fee of \$33 per unit of
9 dwelling space for the first 7 units in any building or project, \$21
10 per unit of dwelling space for the 8th through the 24th unit in any
11 building or project, \$18 per unit for the 25th through the 48th unit
12 in any building or project, and \$12 per unit of dwelling space for all
13 units of dwelling space over 48 in any building or project, provided
14 that the maximum total fee for owner-occupied three-unit multiple
15 dwellings shall be limited to \$65 for owners having a household
16 income that is less than 80 percent of the median income for
17 households of similar size in the county in which the multiple
18 dwelling is located, and the maximum total fee for owner-occupied
19 four-unit multiple dwellings shall be limited to \$80 for owners
20 having a household income that is less than 80 percent of the
21 median income for households of similar size in the county in
22 which the multiple dwelling is located, or, as the case may be, the
23 fees established by rule for each of the foregoing pursuant to
24 subsection e. of this section. A certificate of inspection and the fees
25 therefor shall not be required more often than once **[every five**
26 **years]** each inspection cycle.

27 Additionally, there shall be reinspection fees for multiple
28 dwellings in the amount of \$40 for each dwelling unit reinspected,
29 or, as the case may be, the fees established by rule pursuant to
30 subsection e. of this section, but only after the first reinspection.

31 The commissioner may waive the inspection fee for any unit
32 upon a finding that the unit has been thoroughly inspected within
33 the previous 12-month period under a municipal ordinance
34 requiring inspection upon change of occupancy in accordance with
35 the maintenance standards established by the commissioner under
36 P.L.1967, c.76 (C.55:13A-1 et seq.), and has received a municipal
37 certificate of occupancy as a result of that inspection.

38 If the commissioner finds that (1) a building has been thoroughly
39 inspected prior to resale since the most recent inspection in
40 accordance with this section, (2) the inspection prior to resale was
41 conducted by the municipality in accordance with the maintenance
42 standards established by the commissioner under P.L.1967, c.76
43 (C.55:13A-1 et seq.), and (3) a municipal certificate of occupancy
44 was issued as a result of that inspection, the commissioner may
45 accept the inspection done prior to resale in lieu of a current
46 inspection under this section. If the commissioner accepts an
47 inspection prior to resale in lieu of a current inspection, no fee shall
48 be charged for any inspection done by the commissioner within

1 **[five]** the years remaining in the applicable inspection cycle after
2 the date of the inspection so accepted.

3 (c) If the commissioner determines, as a result of the most
4 recent inspection of any hotel or multiple dwelling as required by
5 subsection (a) of this section, that any hotel or multiple dwelling
6 complies with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.)
7 and regulations promulgated hereunder, then the commissioner shall
8 issue to the owner thereof, upon receipt of the application and fee as
9 required by subsection (b) of this section, a certificate of inspection.
10 Any owner to whom a certificate of inspection is issued shall keep
11 said certificate posted in a conspicuous location in the hotel or
12 multiple dwelling to which the certificate applies. The certificate of
13 inspection shall be in such form as may be prescribed by the
14 commissioner.

15 The commissioner may, upon finding a consistent pattern of
16 compliance with the maintenance standards established under
17 P.L.1967, c.76 (C.55:13A-1 et seq.) in at least 20 percent of the
18 units in a building or project, issue a certificate of inspection for the
19 building or project, in which case the inspection fee shall be
20 charged on the basis of the number of units inspected.

21 The commissioner may by rule establish standards for self-
22 inspection by condominium associations exercising control over
23 buildings of not more than three stories, constructed after 1976, and
24 certified by the local enforcing agency having jurisdiction as being
25 in compliance with the Uniform Fire Code promulgated pursuant to
26 P.L.1983, c.383 (C.52:27D-192 et seq.), in which at least 80 percent
27 of the dwelling units are occupied by the unit owners. The
28 commissioner shall issue a certificate of acceptance, which shall be
29 in lieu of a certificate of inspection, upon acceptance of any such
30 self-inspection and upon payment of a fee of \$25.

31 (d) If the commissioner determines, as a result of the most
32 recent inspection of any hotel or multiple dwelling as required by
33 subsection (a) of this section, that any hotel or multiple dwelling
34 does not comply with the provisions of P.L.1967, c.76 (C.55:13A-1
35 et seq.) and regulations promulgated thereunder, then the
36 commissioner shall issue to the owner thereof a written notice
37 stating the manner in which any such hotel or multiple dwelling
38 does not comply with P.L.1967, c.76 (C.55:13A-1 et seq.) or
39 regulations promulgated thereunder. Said notice shall fix such date,
40 not less than 60 days nor more than 180 days, on or before which
41 any such hotel or multiple dwelling must comply with the
42 provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations
43 promulgated thereunder. If any such hotel or multiple dwelling is
44 made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1
45 et seq.) and regulations promulgated thereunder on or before the
46 date fixed in said notice, then the commissioner shall issue to the
47 owner thereof a certificate of inspection as described in subsection
48 (c) of this section. If any such hotel or multiple dwelling is not

1 made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1
2 et seq.) and regulations promulgated thereunder on or before the
3 date fixed in said notice, then the commissioner shall not issue to
4 the owner thereof a certificate of inspection as described in
5 subsection (c) of this section, and shall enforce the provisions of
6 P.L.1967, c.76 (C.55:13A-1 et seq.) against the owner thereof.

7 (e) The commissioner shall annually review the cost of
8 implementing and enforcing P.L.1967, c.76 (C.55:13A-1 et seq.),
9 including the cost to municipalities of carrying out inspections
10 pursuant to section 21 of P.L.1967, c.76 (C.55:13A-21), and shall
11 establish by rule, not more frequently than once every three years,
12 such fees as may be necessary to cover the costs of such
13 implementation and enforcement; provided, however, that any
14 increase or decrease shall be applied as a uniform percentage to
15 each category of fee established herein, and provided, further, that
16 the percentage amount of any increase shall not exceed the
17 percentage increase in salaries paid to State employees since the
18 then current fee schedule was established. The commissioner shall
19 provide by rule to owners the option of paying inspection fees in
20 installments in the form of an annual fee. The commissioner shall
21 annually prepare and file with the presiding officers of the Senate
22 and General Assembly and the legislative committees having
23 jurisdiction in housing matters a report setting forth the amounts of
24 fees and penalties received by the Bureau of Housing Inspection,
25 the cost to the bureau of enforcing **【this act】** P.L.1967, c.76
26 (C.55:13A-1 et seq.), and information concerning the productivity
27 of the bureau. Copies of the report shall also be submitted to the
28 Office of Administrative Law for publication in the New Jersey
29 Register. If in any State fiscal year the fee revenue received by the
30 bureau exceeds the cost of enforcement of P.L.1967, c.76
31 (C.55:13A-1 et seq.), the excess revenue shall be distributed pro
32 rata to persons who paid inspection fees during that fiscal year.
33 Such distribution shall be made within three months after the end of
34 the fiscal year.

35 (f) Except as otherwise provided in section 2 of P.L.1991, c.179
36 (C.55:13A-26.1), the fees established by or pursuant to the
37 provisions of this section are dedicated to meeting the costs of
38 implementing and enforcing P.L.1967, c.76 (C.55:13A-1 et seq.)
39 and shall not be used for any other purpose. All receipts in excess
40 of \$2,200,000 are hereby appropriated for the purposes of P.L.1967,
41 c.76 (C.55:13A-1 et seq.).

42 (cf: P.L.2013, c.253, s.56)

43

44 3. Section 20 of P.L.1967, c.76 (C.55:13A-20) is amended to
45 read as follows:

46 20. (a) Notices, rules, decisions, and orders required or
47 permitted to be issued and served pursuant to **【this act】** P.L.1967,
48 c.76 (C.55:13A-1 et seq.) shall be served as follows:

1 (1). On the owner:

2 (i) By mailing same by certified or ordinary mail **【**, return
3 receipt requested,**】** to the person designated as owner or agent on
4 the certificate of registration or in the municipal tax records or in
5 the records of the **【Secretary of State.】** Department of the Treasury;
6 or

7 (ii) **【If the above certified mailing is returned, the original letter**
8 **shall be remailed to the last known address by common mail】** By
9 servicing same on the owner, or upon a person authorized to accept
10 service on behalf of the owner in a civil matter, in accordance with
11 the Rules of Court.

12 (2). On the occupant:

13 (i) By mailing same by certified or ordinary mail **【**, return
14 receipt requested,**】** to said occupant**【, or】**;

15 (ii) **【If the above certified mailing is returned the original letter**
16 **shall be remailed to the last known address by common mail.**

17 (b) Rules, Decisions and Orders required or permitted to be
18 issued and served pursuant to this act shall be served as follows:

19 (1). On the owner:

20 (i) By mailing same by certified mail, return receipt requested,
21 to the person designated as owner or agent on the certificate or
22 registration or in the municipal tax records or in the records of the
23 Secretary of State.

24 (ii) **【By serving same on the 【Secretary of State】** Department of
25 the Treasury, who shall be deemed the owner's agent for service of
26 process, provided however, that reasonable efforts have first been
27 made to serve the owner or his agent by certified mail and that a
28 copy of such notice is posted in a conspicuous location on the
29 premises. "Conspicuous location" shall include the walls of the
30 front vestibule or in any common foyer or hallway immediately
31 inside the main front entrance**【**.

32 (2). On the occupant:

33 (i) By mailing same by certified mail, return receipt requested,
34 addressed to the occupant at the premises, or

35 (ii) **【** ; or

36 (iii) By leaving same at the dwelling unit of the occupant with a
37 **【person】** competent member of the household of the age of 14 or
38 over.

39 **【(c)】** (b) The date of service shall be considered the date of
40 personal service, the date of other method of service authorized
41 under this section, or the date of the third day after mailing,
42 whichever occurs **【later】** first.

43 (cf: P.L.1970, c.138, s.12)

44

45 4. This act shall take effect immediately and shall be first
46 applicable to the next new inspection cycle for a hotel or multiple
47 dwelling following the date of enactment.

STATEMENT

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This bill would authorize flexible multiple dwelling inspection schedules and provide greater flexibility in the enforcement of the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.).

Current law requires the Department of Community Affairs to inspect multiple dwellings at least once every five years. This bill would allow the department to establish less frequent inspection schedules for multiple dwellings in which all violations have been abated by the first reinspection, and more frequent schedules for multiple dwellings in which all violations have not been abated by the third reinspection. For the former category, a multiple dwelling would next be inspected in seven years. For the latter category, a multiple dwelling would next be inspected in two years. Multiple dwellings that fall in between these categories would next be inspected in five years.

The bill also would require owners of hotels and multiple dwellings to annually file certifications confirming that the information on their certificates of registration is current and accurate. Hotel and multiple dwelling owners also would be newly required to file an amended certificate of registration within 20 days of any change in the information required to be included on their certificates of registration. The department would be authorized to establish reasonable fees for these filings to cover the administrative costs associated with processing the filings.

Lastly, the bill would simplify the process for serving notices, rules, decisions, and orders under the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.). The bill would newly permit service upon owners and occupants by ordinary mail. Notices, rules, decisions, and orders also may newly be served upon owners or their agents by personal service. These items also may be newly served upon occupants by service upon the State Treasurer in certain circumstances or delivery at the dwelling unit of the occupant with a competent member of the household who is at least 14 years of age.

ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5041

STATE OF NEW JERSEY

DATED: MARCH 7, 2019

The Assembly Housing and Community Development Committee reports favorably Assembly Bill No. 5041.

This bill would authorize flexible multiple dwelling inspection schedules and provide greater flexibility in the enforcement of the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.).

Current law requires the Department of Community Affairs to inspect multiple dwellings at least once every five years. This bill would allow the department to establish less frequent inspection schedules for multiple dwellings in which all violations have been abated by the first reinspection, and more frequent schedules for multiple dwellings in which all violations have not been abated by the third reinspection. For the former category, a multiple dwelling would next be inspected in seven years. For the latter category, a multiple dwelling would next be inspected in two years. Multiple dwellings that fall in between these categories would next be inspected in five years.

The bill also would require owners of hotels and multiple dwellings to annually file certifications confirming that the information on their certificates of registration is current and accurate. Hotel and multiple dwelling owners also would be newly required to file an amended certificate of registration within 20 days of any change in the information required to be included on their certificates of registration. The department would be authorized to establish reasonable fees for these filings to cover the administrative costs associated with processing the filings.

Lastly, the bill would simplify the process for serving notices, rules, decisions, and orders under the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.). The bill would newly permit service upon owners and occupants by ordinary mail. Notices, rules, decisions, and orders also may newly be served upon owners or their agents by personal service. These items also may be newly served upon occupants by service upon the State Treasurer in certain circumstances or delivery at the dwelling unit of the occupant with a competent member of the household who is at least 14 years of age.

STATEMENT TO
ASSEMBLY, No. 5041

with Assembly Floor Amendments
(Proposed by Assemblywoman REYNOLDS-JACKSON)

ADOPTED: MAY 23, 2019

These Assembly floor amendments:

- provide that any increase in the fees the Department of Community Affairs may establish by regulation be consistent with certain limitations in existing law; and
- clarify that if no violations are found for a multiple dwelling at a cyclical inspection, the multiple dwelling would next be inspected in seven years.

Acting Governor Oliver Signs Legislation to Establish Flexible Inspection Schedules for Multiple Dwellings

08/05/2019

TRENTON – Acting Governor Sheila Oliver today signed legislation authorizing the Department of Community Affairs to establish a tiered inspection schedule of multiple dwellings and provide greater flexibility in the enforcement of the "Hotel and Multiple Dwelling Law." Current law requires the Department of Community Affairs to inspect multiple dwellings at least once every five years.

"At the end of the day, these laws are about protecting tenants from sub-standard living conditions and the bill I'm signing today will provide DCA more flexibility in the inspection process to help keep people in safe and decent housing," **said Acting Governor Oliver, who serves as DCA Commissioner.** "We want to make certain that we are staying on top of the landlords who aren't fixing violations. Our new tiered inspection schedule will provide more frequent oversight of those who are not adhering to the law."

Under this legislation, inspection schedules will be more frequent or less frequent depending on the history of violation abatement. The DCA would establish an inspection cycle as often as once every two years for multiple dwellings that fail to abate all housing violations by the third reinspection; less frequent inspections, once every seven years, for multiple dwellings in which all violations have been abated by the first reinspection; and the five-year inspection cycle would remain for the multiple dwellings that fall in between these categories.

Primary sponsors of the legislation include Senators M. Teresa Ruiz and Brian Stack, and Assemblymembers Verlina Reynolds-Jackson and Benjie Wimberly.

"Poorly maintained dwellings create unsafe living conditions for our tenant population and stifle our cities. It is important that we hold habitual offenders accountable," **said Senator M. Teresa Ruiz.** "Modifying the inspection system to focus on landlords with a history of violations will direct the state's resources where they are needed most. It will ensure issues get resolved in a timely manner and I am grateful Acting Governor Sheila Oliver saw the value in this legislation. I also look forward to seeing my other bills concerning tenant rights and community upkeep passed by the legislature and signed into law."

"There are far too many apartment buildings in dismal shape, forcing tenants to live in unsanitary and unsafe conditions," **said Senator Brian Stack.** "We have housing standards in place for a reason and this will allow us to better enforce them, resulting in better conditions for everyone."

"Requiring inspections of multiple dwellings at least once every five years, as under previous law, encouraged a lackadaisical view of property care from landlords for multiple dwelling units," **said Assemblywoman Verlina Reynolds-Jackson.** "A lot can happen in 5 years or nothing at all can happen in 5 years in a home. Renters should not be left to live in homes that are in disrepair. Landlords must keep up and maintain a high-quality standard of living for their tenants. This new law will help them do exactly that."

"Too many residents are currently residing in publicly subsidized rental housing units that fail to meet minimum standards of safety and sanitation," **said Assemblyman Benjie Wimberly.** "Landlords who receive taxpayer money by way of rental subsidies should be held accountable and be required to provide safe and sanitary housing accommodations. Increasing inspections and providing for regular inspections for these dwellings will improve the way our residents live."