

P.L. 1999, CHAPTER 425, *approved January 18, 2000*
Assembly, No. 1590 (*Second Reprint*)

1 AN ACT concerning certain illegal occupancies and amending
2 P.L.1993, c.342.

3

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

6

7 1. Section 3 of P.L.1993, c.342 (C.2A:18-61.1g) is amended to
8 read as follows:

9 3. a. A municipality may enact an ordinance providing that any
10 tenant who receives a notice of eviction pursuant to section 3 of
11 P.L.1974, c.49 (C.2A:18-61.2) that results from zoning or code
12 enforcement activity for an illegal occupancy, as set forth in paragraph
13 (3) of subsection g. of section 2 of P.L.1974, c.49 (C.2A:18-61.1),
14 shall be considered a displaced person and shall be entitled to
15 relocation assistance in an amount equal to six times the monthly
16 rental paid by the displaced person. The owner ¹-landlord¹ of the
17 structure shall be liable for the payment of relocation assistance
18 pursuant to this section.

19 b. A municipality that has enacted an ordinance pursuant to
20 subsection a. of this section may pay relocation assistance to any
21 displaced person who has not received the required payment from the
22 owner ¹-landlord¹ of the structure at the time of eviction pursuant to
23 subsection a. of this section from a revolving relocation assistance
24 fund established pursuant to section 2 of P.L.1987, c.98 (C.20:4-4.1a).
25 All relocation assistance costs incurred by a municipality pursuant to
26 this subsection shall be repaid by the owner ¹-landlord¹ of the
27 structure to the municipality in the same manner as relocation costs are
28 billed and collected under section 1 of P.L.1983, c.536 (C.20:4-4.1)
29 and section 1 of P.L.1984, c.30 (C.20:4-4.2). These repayments shall
30 be deposited into the municipality's revolving relocation assistance
31 fund.

32 c. A municipality that has enacted an ordinance pursuant to
33 subsection a. of this section, in addition to requiring reimbursement
34 from the owner ¹-landlord¹ of the structure for relocation assistance
35 paid to a displaced tenant, may require that an additional fine for
36 zoning or housing code violation for an illegal occupancy, up to an
37 amount equal to six times the monthly rental paid by the displaced
38 person, be paid to the municipality by the owner ¹-landlord¹ of the
39 structure.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AED committee amendments adopted September 17, 1998.

² Senate SED committee amendments adopted February 18, 1999.

1 In addition to this penalty, a municipality ², after affording the
2 owner-landlord an opportunity for a hearing on the matter,² may
3 impose upon the owner ¹-landlord¹ , for a second or subsequent
4 violation for an illegal occupancy, a fine equal to the annual tuition
5 cost of any resident of the illegally occupied unit attending a public
6 school, which fine shall be recovered in a civil action by a summary
7 proceeding in the name of the municipality pursuant to “the penalty
8 enforcement law,” N.J.S.2A:58-1 et seq. The municipal court and the
9 Superior Court shall have jurisdiction of proceedings for the
10 enforcement of the penalty provided by this section. The tuition cost
11 shall be determined in the manner prescribed for nonresident pupils
12 pursuant to N.J.S.18A:38-19 and the payment of the fine shall be
13 remitted to the appropriate school district.

14 d. For the purposes of this section, the owner ¹-landlord¹ of a
15 structure shall exclude mortgagees in possession of a structure through
16 foreclosure.

17 ²For the purposes of this section, a "second or subsequent violation
18 for an illegal occupancy" shall be limited to those violations that are
19 new and are a result of distinct and separate zoning or code
20 enforcement activities, and shall not include any continuing violations
21 for which citations are issued by a zoning or code enforcement agent
22 during the time period required for summary dispossession
23 proceedings to conclude if the owner has initiated eviction proceedings
24 in a court of proper jurisdiction.²

25 (cf: P.L.1993, c.342, s.3)

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27 2. This act shall take effect immediately.

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32 Imposes illegal occupancy fine to reimburse tuition cost.

ASSEMBLY, No. 1590

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED JANUARY 29, 1998

Sponsored by:

Assemblyman RICHARD H. BAGGER

District 22 (Middlesex, Morris, Somerset and Union)

Assemblyman ALAN M. AUGUSTINE

District 22 (Middlesex, Morris, Somerset and Union)

Co-Sponsored by:

Assemblyman Cohen and Assemblywoman Crecco

SYNOPSIS

Imposes illegal occupancy fine to reimburse tuition cost.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/18/1998)

A1590 BAGGER, AUGUSTINE

2

1 AN ACT concerning certain illegal occupancies and amending
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8 read as follows:

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10 tenant who receives a notice of eviction pursuant to section 3 of
11 P.L.1974, c.49 (C.2A:18-61.2) that results from zoning or code
12 enforcement activity for an illegal occupancy, as set forth in paragraph
13 (3) of subsection g. of section 2 of P.L.1974, c.49 (C.2A:18-61.1),
14 shall be considered a displaced person and shall be entitled to
15 relocation assistance in an amount equal to six times the monthly
16 rental paid by the displaced person. The owner of the structure shall
17 be liable for the payment of relocation assistance pursuant to this
18 section.

19 b. A municipality that has enacted an ordinance pursuant to
20 subsection a. of this section may pay relocation assistance to any
21 displaced person who has not received the required payment from the
22 owner of the structure at the time of eviction pursuant to subsection
23 a. of this section from a revolving relocation assistance fund
24 established pursuant to section 2 of P.L.1987, c.98 (C.20:4-4.1a). All
25 relocation assistance costs incurred by a municipality pursuant to this
26 subsection shall be repaid by the owner of the structure to the
27 municipality in the same manner as relocation costs are billed and
28 collected under section 1 of P.L.1983, c.536 (C.20:4-4.1) and section
29 1 of P.L.1984, c.30 (C.20:4-4.2). These repayments shall be deposited
30 into the municipality's revolving relocation assistance fund.

31 c. A municipality that has enacted an ordinance pursuant to
32 subsection a. of this section, in addition to requiring reimbursement
33 from the owner of the structure for relocation assistance paid to a
34 displaced tenant, may require that an additional fine for zoning or
35 housing code violation for an illegal occupancy, up to an amount equal
36 to six times the monthly rental paid by the displaced person, be paid
37 to the municipality by the owner of the structure.

38 In addition to this penalty, a municipality may impose upon the
39 owner, for a second or subsequent violation for an illegal occupancy,
40 a fine equal to the annual tuition cost of any resident of the illegally
41 occupied unit attending a public school, which fine shall be recovered
42 in a civil action by a summary proceeding in the name of the
43 municipality pursuant to "the penalty enforcement law," N.J.S.2A:58-1

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

Matter underlined thus is new matter.

1 et seq. The municipal court and the Superior Court shall have
2 jurisdiction of proceedings for the enforcement of the penalty provided
3 by this section. The tuition cost shall be determined in the manner
4 prescribed for nonresident pupils pursuant to P.L.1967, c.271
5 (N.J.S.18A:38-19) and the payment of the fine shall be remitted to the
6 appropriate school district.

7 d. For the purposes of this section, the owner of a structure shall
8 exclude mortgagees in possession of a structure through foreclosure.
9 (cf: P.L.1993, c.342, s.3)

10

11 2. This act shall take effect immediately.

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STATEMENT

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16 Unscrupulous landlords, who seek to profit by subdividing their
17 properties to create multiple occupancies in violation of local zoning
18 ordinances, place an undue burden on local schools. Although the
19 school district must admit the children who reside in these illegal
20 occupancies, it receives no increase in real estate taxes to compensate
21 for the cost of educating these children. This bill is intended to
22 remedy this problem. It would impose on landlords who are chronic
23 offenders an additional fine that would be equal to the tuition cost of
24 any children residing in the illegal occupancy who are enrolled in the
25 public schools. This penalty would be imposed on second or
26 subsequent violators. Proceeds would be remitted to the appropriate
27 school districts.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1590

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 17, 1998

The Assembly Education Committee favorably reports Assembly Bill No. 1590 with committee amendments.

As amended by committee, this bill provides that in addition to such other penalties and fines which may be imposed against the owner-landlord of a building which has been illegally subdivided, a municipality may, for a second and each subsequent violation for illegal occupancy, impose a fine equal to the annual tuition cost of any resident of the illegally occupied unit who is attending a public school district. The fine is then to be remitted to the appropriate district.

The committee amended the bill to change the terminology from owner to owner-landlord to clarify that its provisions do not apply to an owner of a building who simply allows a family member to reside in that building.

The purpose of this bill is to address the burden which is placed on communities which are required to educate children who reside in dwellings which are illegally subdivided. While the school district must of course provide an education for these children, the municipality in which the district is located receives no additional tax revenue to compensate for the costs of educating the additional students which come to the community as result of these illegally subdivided units.

SENATE EDUCATION COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 1590

with committee amendments

STATE OF NEW JERSEY

DATED:February 18, 1999

The Senate Education Committee reports favorably Assembly Bill No. 1590 (1R) with committee amendments.

As amended, this bill provides that in addition to such other penalties and fines as may be imposed against the owner-landlord of a building which has been illegally subdivided, a municipality, after affording the opportunity for a hearing, may impose, for a second and each subsequent violation for illegal occupancy, a fine equal to the annual tuition cost of any resident of the illegally occupied unit who is attending a public school district. The fine is then to be remitted to the appropriate district.

The purpose of the bill is to address the burden placed on communities that are required to educate children who reside in dwellings which are illegally subdivided. While the school district must provide an education for these children, the municipality in which the district is located receives no additional tax revenue to compensate for the costs of educating the additional students who attend the schools of the district as a result of the illegally subdivided units.

Amendments were adopted which provide for a public hearing and which clarify the circumstances of a second or subsequent violation for an illegal occupancy.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 1590

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: DECEMBER 2, 1998

Assembly Bill No. 1590 (1R) of 1998 would impose on owner-landlords who are convicted of a second or subsequent violation for illegal occupancy of a property owned by the owner-landlord an additional fine that would be equal to the tuition cost for nonresident pupils pursuant to N.J.S.18A:38-19 of any children residing in the illegal occupancy who are enrolled in the public schools. Proceeds would be remitted to the appropriate school districts. The municipal court and the Superior Court have jurisdiction under the bill for the enforcement of this penalty.

The Administrative Office of the Courts (AOC) has previously advised the Office of Legislative Services (OLS) that it maintains no statistics that would allow for the calculation of a fiscal impact should this bill be enacted into law.

The OLS is unable to provide a cost estimate of the provisions of this bill, because there is no way to determine the identity of the persons against whom such a fine may be levied, the number of children who may be involved, and the amount of tuition costs to be recovered, as this amount will vary from school district to school district. In addition, the amount of tuition that a school district may charge varies by the grade of the pupil. However, in order to demonstrate the possible value of such a fine, the OLS has obtained from the department of education the latest tuition rates certified by the department for a high school student in four school districts. (These certified tuition rates are from the 1995-1996 school year.) In Newark, the certified tuition rate for the 1995-1996 school year is \$9,502; in Jersey City, it is \$8,114; in Madison, it is \$11,439 and in South Orange-Maplewood, it is \$7,371.

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.