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LAW/RWH 6/24/08

P.L. 2007, CHAPTER 339, *approved January 13, 2008*  
Assembly, No. 4518

1 **AN ACT** increasing the license fee for owning or operating a  
2 rooming or boarding house and amending P.L.1979, c.496.

3

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

6

7 1. Section 7 of P.L.1979, c.496 (C.55:13B-7) is amended to read  
8 as follows:

9 7. a. (1) No person shall own or operate a rooming or boarding  
10 house, hold out a building as available for rooming or boarding  
11 house occupancy, or apply for any necessary construction or  
12 planning approvals related to the establishment of a rooming or  
13 boarding house without a valid license to own or operate such a  
14 facility, issued by the commissioner and, if appropriate, by a  
15 municipality which has elected to issue such licenses pursuant to  
16 P.L.1993, c.290 (C.40:52-9 et seq.).

17 (2) No person shall own or operate a rooming or boarding house  
18 that offers or advertises or holds itself out as offering personal care  
19 services to residents with special needs, including, but not limited  
20 to, persons with Alzheimer's disease and related disorders or other  
21 forms of dementia, hold out a building as available for rooming or  
22 boarding house occupancy for such residents, or apply for any  
23 necessary construction or planning approvals related to the  
24 establishment of a rooming or boarding house for such residents  
25 without a valid license to own or operate such a facility, issued by  
26 the commissioner.

27 (3) Any person found to be in violation of this subsection shall  
28 be liable for a civil penalty of not more than \$5,000.00 for each  
29 building so owned or operated, which penalty shall be payable to  
30 the appropriate licensing entity.

31 b. The commissioner shall establish separate categories of  
32 licensure for owning and for operating a rooming or boarding  
33 house, provided, however, that an owner who himself operates such  
34 a facility need not also possess an operator's license.

35 If an owner seeking to be licensed is other than an individual, the  
36 application shall state the name of an individual who is a member,  
37 officer or stockholder in the corporation or association seeking to be  
38 licensed, and the same shall be designated the primary owner of the  
39 rooming or boarding house.

40 Each application for licensure shall contain such information as  
41 the commissioner may prescribe and, unless the person is licensed  
42 by a municipality to own or operate a rooming and boarding house  
43 pursuant to P.L.1993, c.290 (C.40:52-9 et seq.), shall be  
44 accompanied by a fee established by the commissioner which shall  
45 not be less than \$150.00 **[nor]** or more than **[\$300.00]** \$600.00,

**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 except as provided in subsection e. of this section. If, upon receipt  
2 of the fee and a review of the application, the commissioner  
3 determines that the applicant will operate, or provide for the  
4 operation of, a rooming or boarding house in accordance with the  
5 provisions of this act, he shall issue a license to him.

6 Each license shall be valid for one year from the date of  
7 issuance, but may be renewed upon application by the owner or  
8 operator and upon payment of the same fee required for initial  
9 licensure.

10 c. Only one license shall be required to own a rooming or  
11 boarding house, but an endorsement thereto shall be required for  
12 each separate building owned and operated, or intended to be  
13 operated, as a rooming or boarding house. Each application for  
14 licensure or renewal shall indicate every such building for which an  
15 endorsement is required. If, during the term of a license, an  
16 additional endorsement is required, or an existing one is no longer  
17 required, an amended application for licensure shall be submitted.

18 d. A person making application for, or who has been issued, a  
19 license to own or operate a rooming or boarding house who  
20 conceals the fact that the person has been denied a license to own or  
21 operate a residential facility, or that the person's license to own or  
22 operate a residential facility has been revoked by a department or  
23 agency of state government in this or any other state is liable for a  
24 civil penalty of not more than \$5,000.00, and any license to own or  
25 operate a rooming or boarding house which has been issued to that  
26 person shall be immediately revoked.

27 e. The commissioner shall annually review the cost of  
28 administering and enforcing this section and shall establish by rule  
29 such changes to the license application fee as may be necessary to  
30 cover the cost of such administration and enforcement.

31 (cf: P.L.1999, c.241, s.2)

32  
33 2. This act shall take effect immediately.

#### 34 35 36 STATEMENT

37  
38 This bill raises the maximum State fee that may be assessed for  
39 the application for license to own or operate a rooming or boarding  
40 house. The maximum fee amount has not been raised since 2000.  
41 The costs of supporting the program are no longer covered by the  
42 amounts raised under the current fee cap of \$300. According to the  
43 Department of Community Affairs, at present, the gap between  
44 revenue and expenditures involved in enforcing the "Rooming and  
45 Boarding House Act of 1979" is \$900,000. The \$600 fee is a  
46 reasonable increase that will make the gap smaller, though it will  
47 not eliminate it.

**A4518**

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1       The bill also allows the commissioner to establish rules adjusting  
2 the fee according to changes in administration costs.

3

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7       Increases license fee for owning or operating rooming or  
8 boarding house.

# ASSEMBLY, No. 4518

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED NOVEMBER 19, 2007

**Sponsored by:**

**Assemblyman JERRY GREEN**

**District 22 (Middlesex, Somerset and Union)**

**Co-Sponsored by:**

**Senator Sweeney**

**SYNOPSIS**

Increases license fee for owning or operating rooming or boarding house.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/4/2008)**

1 AN ACT increasing the license fee for owning or operating a  
2 rooming or boarding house and amending P.L.1979, c.496.

3

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

6

7 1. Section 7 of P.L.1979, c.496 (C.55:13B-7) is amended to read  
8 as follows:

9 7. a. (1) No person shall own or operate a rooming or boarding  
10 house, hold out a building as available for rooming or boarding  
11 house occupancy, or apply for any necessary construction or  
12 planning approvals related to the establishment of a rooming or  
13 boarding house without a valid license to own or operate such a  
14 facility, issued by the commissioner and, if appropriate, by a  
15 municipality which has elected to issue such licenses pursuant to  
16 P.L.1993, c.290 (C.40:52-9 et seq.).

17 (2) No person shall own or operate a rooming or boarding house  
18 that offers or advertises or holds itself out as offering personal care  
19 services to residents with special needs, including, but not limited  
20 to, persons with Alzheimer's disease and related disorders or other  
21 forms of dementia, hold out a building as available for rooming or  
22 boarding house occupancy for such residents, or apply for any  
23 necessary construction or planning approvals related to the  
24 establishment of a rooming or boarding house for such residents  
25 without a valid license to own or operate such a facility, issued by  
26 the commissioner.

27 (3) Any person found to be in violation of this subsection shall  
28 be liable for a civil penalty of not more than \$5,000.00 for each  
29 building so owned or operated, which penalty shall be payable to  
30 the appropriate licensing entity.

31 b. The commissioner shall establish separate categories of  
32 licensure for owning and for operating a rooming or boarding  
33 house, provided, however, that an owner who himself operates such  
34 a facility need not also possess an operator's license.

35 If an owner seeking to be licensed is other than an individual, the  
36 application shall state the name of an individual who is a member,  
37 officer or stockholder in the corporation or association seeking to be  
38 licensed, and the same shall be designated the primary owner of the  
39 rooming or boarding house.

40 Each application for licensure shall contain such information as  
41 the commissioner may prescribe and, unless the person is licensed  
42 by a municipality to own or operate a rooming and boarding house  
43 pursuant to P.L.1993, c.290 (C.40:52-9 et seq.), shall be  
44 accompanied by a fee established by the commissioner which shall  
45 not be less than \$150.00 **[nor]** or more than **[\$300.00]** \$600.00.

**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 except as provided in subsection e. of this section. If, upon receipt  
2 of the fee and a review of the application, the commissioner  
3 determines that the applicant will operate, or provide for the  
4 operation of, a rooming or boarding house in accordance with the  
5 provisions of this act, he shall issue a license to him.

6 Each license shall be valid for one year from the date of  
7 issuance, but may be renewed upon application by the owner or  
8 operator and upon payment of the same fee required for initial  
9 licensure.

10 c. Only one license shall be required to own a rooming or  
11 boarding house, but an endorsement thereto shall be required for  
12 each separate building owned and operated, or intended to be  
13 operated, as a rooming or boarding house. Each application for  
14 licensure or renewal shall indicate every such building for which an  
15 endorsement is required. If, during the term of a license, an  
16 additional endorsement is required, or an existing one is no longer  
17 required, an amended application for licensure shall be submitted.

18 d. A person making application for, or who has been issued, a  
19 license to own or operate a rooming or boarding house who  
20 conceals the fact that the person has been denied a license to own or  
21 operate a residential facility, or that the person's license to own or  
22 operate a residential facility has been revoked by a department or  
23 agency of state government in this or any other state is liable for a  
24 civil penalty of not more than \$5,000.00, and any license to own or  
25 operate a rooming or boarding house which has been issued to that  
26 person shall be immediately revoked.

27 e. The commissioner shall annually review the cost of  
28 administering and enforcing this section and shall establish by rule  
29 such changes to the license application fee as may be necessary to  
30 cover the cost of such administration and enforcement.

31 (cf: P.L.1999, c.241, s.2)

32

33 2. This act shall take effect immediately.

34

35

36

STATEMENT

37

38 This bill raises the maximum State fee that may be assessed for  
39 the application for license to own or operate a rooming or boarding  
40 house. The maximum fee amount has not been raised since 2000.  
41 The costs of supporting the program are no longer covered by the  
42 amounts raised under the current fee cap of \$300. According to the  
43 Department of Community Affairs, at present, the gap between  
44 revenue and expenditures involved in enforcing the "Rooming and  
45 Boarding House Act of 1979" is \$900,000. The \$600 fee is a  
46 reasonable increase that will make the gap smaller, though it will  
47 not eliminate it.



**A4518 GREEN**

4

- 1 The bill also allows the commissioner to establish rules adjusting
- 2 the fee according to changes in administration costs.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 4518

# STATE OF NEW JERSEY

DATED: NOVEMBER 19, 2007

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4518.

The bill raises the maximum State fee that may be assessed for the application for an annual license to own or operate a rooming or boarding house from \$300 to \$600, and provides that the Commissioner of the Department of Community Affairs shall annually review the cost of administering and enforcing this section and shall establish by rule such changes to the license application fee as may be necessary to cover the cost of such administration and enforcement.

#### FISCAL IMPACT:

The maximum fee amount has not been raised since 2000. The costs of supporting the program are no longer covered by the amounts raised under the current fee cap of \$300. According to the Department of Community Affairs, at present, the gap between revenue and expenditures involved in enforcing the "Rooming and Boarding House Act of 1979" is \$900,000 (over a period of at least 3 years). This increased cap under the bill would basically cover the costs annually.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 4518**  
**STATE OF NEW JERSEY**  
**212th LEGISLATURE**

DATED: NOVEMBER 26, 2007

**SUMMARY**

- Synopsis:** Increases license fee for owning or operating rooming or boarding house.
- Type of Impact:** Increase in General Fund Revenues.
- Agencies Affected:** Department of Community Affairs (Division of Codes and Standards, Bureau of Rooming and Boarding House Standards).

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Revenue</b>	\$402,000	Indeterminate Increase	Indeterminate increase

- Although the increase in licensing fees imposed under the bill will partially close the gap between the revenues and expenditures necessary for the rooming and boarding home inspection program they will not be sufficient to fully fund the program in the first year of the fee increase.
- However, the bill allows the Commissioner of Community Affairs to review the cost of the program and provide for annual fee increases to cover administration and enforcement costs. There are no limits on how much the fee can be increased, thus future fee increase may generate revenues that are sufficient to cover the costs of the rooming and boarding home inspection program.
- Current law also allows municipalities to issue licenses for rooming and boarding houses. Rooming and boarding houses that are licensed by a municipality do not have to pay the annual licensing fee to the Department of Community Affairs (DCA) that is increased by Assembly Bill No. 4518. If municipalities issue a greater number of licenses, DCA may experience a decrease in revenues, but it will have a lesser administrative burden.

**BILL DESCRIPTION**

Assembly Bill No. 4518 of 2007 raises the maximum State fee that may be assessed for the application for a license to own or operate a rooming or boarding house from \$300 to \$600. The

maximum fee has not been raised since 2000. The bill also allows the Commissioner of Community Affairs to establish rules annually adjusting the fee to meet changes in administrative and enforcement costs.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The Office of Legislative Services (OLS) estimates that implementation of this bill would result in an increase in State revenues by \$402,000. There are at present 1,340 rooming and boarding houses in the State of New Jersey that have been issued licenses by the Bureau of Rooming and Boarding House Standards. The existing \$300 licensing fee currently generates \$402,000 in revenue. Doubling the fee to \$600 would generate \$804,000 in revenue. The increase in revenues would enable the Department of Community Affairs to decrease the gap between the revenues raised and expenditures necessary to enforce the “Rooming and Boarding House Act of 1979” from \$900,000 to approximately \$500,000.

The bill allows the Commissioner of Community Affairs to establish rules annually adjusting the fee to meet changes in administrative and enforcement costs. Therefore, while the OLS can estimate the amount of increased revenue in the first year following the enactment of the bill, it cannot provide such estimates for subsequent years because the department may increase the annual licensing fee to amounts that have not yet been determined.

*Section:* Local Government Section

*Analyst:* Scott A. Brodsky  
Assistant Fiscal Analyst

*Approved:* David J. Rosen  
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-1 et seq.).

**SENATE, No. 2942**

**STATE OF NEW JERSEY**  
**212th LEGISLATURE**

INTRODUCED NOVEMBER 8, 2007

**Sponsored by:**

**Senator STEPHEN M. SWEENEY**

**District 3 (Salem, Cumberland and Gloucester)**

**SYNOPSIS**

Increases license fee for owning or operating rooming or boarding house.

**CURRENT VERSION OF TEXT**

As introduced.



S2942 SWEENEY

2

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2 rooming or boarding house and amending P.L.1979, c.496.

3

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22 boarding house occupancy for such residents, or apply for any  
23 necessary construction or planning approvals related to the  
24 establishment of a rooming or boarding house for such residents  
25 without a valid license to own or operate such a facility, issued by  
26 the commissioner.

27 (3) Any person found to be in violation of this subsection shall  
28 be liable for a civil penalty of not more than \$5,000.00 for each  
29 building so owned or operated, which penalty shall be payable to  
30 the appropriate licensing entity.

31 b. The commissioner shall establish separate categories of  
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34 a facility need not also possess an operator's license.

35 If an owner seeking to be licensed is other than an individual, the  
36 application shall state the name of an individual who is a member,  
37 officer or stockholder in the corporation or association seeking to be  
38 licensed, and the same shall be designated the primary owner of the  
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40 Each application for licensure shall contain such information as  
41 the commissioner may prescribe and, unless the person is licensed  
42 by a municipality to own or operate a rooming and boarding house  
43 pursuant to P.L.1993, c.290 (C.40:52-9 et seq.), shall be  
44 accompanied by a fee established by the commissioner which shall  
45 not be less than \$150.00 **[nor]** or more than **[\$300.00]** \$600.00.

**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 except as provided in subsection e. of this section. If, upon receipt  
2 of the fee and a review of the application, the commissioner  
3 determines that the applicant will operate, or provide for the  
4 operation of, a rooming or boarding house in accordance with the  
5 provisions of this act, he shall issue a license to him.

6 Each license shall be valid for one year from the date of  
7 issuance, but may be renewed upon application by the owner or  
8 operator and upon payment of the same fee required for initial  
9 licensure.

10 c. Only one license shall be required to own a rooming or  
11 boarding house, but an endorsement thereto shall be required for  
12 each separate building owned and operated, or intended to be  
13 operated, as a rooming or boarding house. Each application for  
14 licensure or renewal shall indicate every such building for which an  
15 endorsement is required. If, during the term of a license, an  
16 additional endorsement is required, or an existing one is no longer  
17 required, an amended application for licensure shall be submitted.

18 d. A person making application for, or who has been issued, a  
19 license to own or operate a rooming or boarding house who  
20 conceals the fact that the person has been denied a license to own or  
21 operate a residential facility, or that the person's license to own or  
22 operate a residential facility has been revoked by a department or  
23 agency of state government in this or any other state is liable for a  
24 civil penalty of not more than \$5,000.00, and any license to own or  
25 operate a rooming or boarding house which has been issued to that  
26 person shall be immediately revoked.

27 e. The commissioner shall annually review the cost of  
28 administering and enforcing this section and shall establish by rule  
29 such changes to the license application fee as may be necessary to  
30 cover the cost of such administration and enforcement.

31 (cf: P.L.1999, c.241, s.2)

32  
33 2. This act shall take effect immediately.

34  
35  
36 STATEMENT

37  
38 This bill raises the maximum State fee that may be assessed for  
39 the application for license to own or operate a rooming or boarding  
40 house. The maximum fee amount has not been raised since 2000.  
41 The costs of supporting the program are no longer covered by the  
42 amounts raised under the current fee cap of \$300. According to the  
43 Department of Community Affairs, at present, the gap between  
44 revenue and expenditures involved in enforcing the "Rooming and  
45 Boarding House Act of 1979" is \$900,000. The \$600 fee is a  
46 reasonable increase that will make the gap smaller, though it will  
47 not eliminate it.

**S2942 SWEENEY**

4

- 1       The bill also allows the commissioner to establish rules adjusting
- 2       the fee according to changes in administration costs.



# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 2942

# STATE OF NEW JERSEY

DATED: DECEMBER 3, 2007

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2942.

Senate Bill No. 2942 raises the maximum State fee that may be assessed for the application for an annual license to own or operate a rooming or boarding house from \$300 to \$600, and provides that the Commissioner of the Department of Community Affairs shall annually review the cost of administering and enforcing this section and shall establish by rule such changes to the license application fee as may be necessary to cover the cost of such administration and enforcement.

#### FISCAL IMPACT:

The maximum fee amount has not been raised since 2000. The costs of supporting the program are no longer covered by the amounts raised under the current fee cap of \$300. According to the Department of Community Affairs, at present, the gap between revenue and expenditures involved in enforcing the “Rooming and Boarding House Act of 1979” is \$900,000 (over a period of at least 3 years). The increased cap this bill provides is intended to generate revenue sufficient to cover annual program costs.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 2942**  
**STATE OF NEW JERSEY**  
**212th LEGISLATURE**

DATED: NOVEMBER 26, 2007

**SUMMARY**

**Synopsis:** Increases license fee for owning and operating rooming and boarding house.

**Type of Impact:** Increase in General Fund Revenues.

**Agencies Affected:** Department of Community Affairs (Division of Codes and Standards, Bureau of Rooming and Boarding House Standards)

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Revenue</b>	\$402,000	Indeterminate increase	Indeterminate increase

- Although the increased licensing fees imposed under the bill will partially close the gap between the revenues and expenditures necessary for the rooming and boarding home inspection program, they will not be sufficient to fully fund the program in the first year of the fee increase.
- The bill allows the Commissioner of Community Affairs to review the cost of the program and provide for annual fee increases to cover administration and enforcement costs. There are no limits on how much the fee can be increased, so future fee increases may generate revenues that are sufficient to cover the costs of the rooming and boarding home inspection program.
- Current law also allows municipalities to issue licenses for rooming and boarding houses. Rooming and boarding houses that are licensed by a municipality do not have to pay the annual licensing fee to the Department of Community Affairs (DCA). If municipalities issue a greater number of licenses, DCA may experience a decrease in revenues, but it will have a lesser administrative burden.

**BILL DESCRIPTION**

Senate Bill No. 2942 of 2007 raises the maximum State fee that may be assessed for the application for a license to own or operate a rooming or boarding house from \$300 to \$600. The

maximum fee has not been raised since 2000. The bill also allows the Commissioner of Community Affairs to establish rules annually adjusting the fee to meet changes in administrative and enforcement costs.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The Office of Legislative Services (OLS) estimates that the implementation of this bill would result in an increase in State revenues of \$402,000 in the first year following enactment. There are at present 1,340 rooming and boarding houses in the State of New Jersey that have been issued licenses by the Bureau of Rooming and Boarding House Standards in the DCA. The existing \$300 licensing fee currently generates \$402,000 in revenue. Doubling the fee to \$600 would generate \$804,000 in revenue. The increase in revenues would enable the DCA to decrease the gap between the revenues raised and expenditures necessary to enforce the "Rooming and Boarding House Act of 1979, P.L.1979," c.496 (C.55:13B-1 et seq.) from \$900,000 to approximately \$500,000.

The bill allows the Commissioner of Community Affairs to establish rules annually adjusting this fee to meet changes in administrative and enforcement costs. Therefore, while the OLS can estimate the amount of increased revenue in the first year following the enactment of the bill, it cannot provide such estimates for subsequent years because the department may increase the annual licensing fee to amounts that have not yet been determined.

*Section: Local Government*  
*Analyst: Scott A. Brodsky*  
*Assistant Fiscal Analyst*  
*Approved: David J. Rosen*  
*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-1 et seq.).