

40:48-2.12

LEGISLATIVE HISTORY CHECKLIST
Compiled by the NJ State Law Library

(Seasonal rentals--bond)

NJSA: 40:48-2.12

LAWS OF: 1993 **CHAPTER:** 127

BILL NO: S665

SPONSOR(S) Connors

DATE INTRODUCED: April 6, 1992

COMMITTEE: **ASSEMBLY:** Local Government
SENATE: Community Affairs

AMENDED DURING PASSAGE: Yes Amendments during passage
denoted by superscript numbers

DATE OF PASSAGE: **ASSEMBLY:** May 20, 1993
SENATE: May 12, 1992

DATE OF APPROVAL: June 1, 1993

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

See newspaper clippings--attached:
"Florio signs 'animal house' bill, 6-2-93 Asbury Park Press.
" 'Animal house' law approved," 6-2-93 Asbury Park Press.

KBG:pp

[FIRST REPRINT]

SENATE, No. 665

STATE OF NEW JERSEY

INTRODUCED APRIL 6, 1992

By Senators CONNORS and CIESLA

1 AN ACT concerning seasonal rentals in certain municipalities,
2 and supplementing Title 40 of the Revised Statutes.

3

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

6 1. The Legislature finds, determines and declares:

7 a. Many of the shore resort communities in this State, and the
8 residents thereof, have experienced disturbances, damage and
9 public expense resulting from carelessly granted and inadequately
10 supervised seasonal rentals to irresponsible vacationers by inept
11 or indifferent landlords.

12 b. To preserve the peace and ¹[tranquillity] tranquility¹ of
13 those communities for their permanent residents, and to maintain
14 their viability as vacation spots not only for citizens of this State
15 but also for persons and families from far and near whom the
16 beauties and pleasures of the New Jersey shore have historically
17 attracted, it is necessary and desirable that those communities
18 have adequate means to curb and discourage those occasional
19 excesses arising from irresponsible seasonal rentals.

20 c. Accordingly, it is the purpose of this legislation to enable
21 such communities to take effective action to assure that
22 excesses, when they occur, shall not be repeated, and that
23 landlords offering seasonal rentals be held to sufficient standards
24 of responsibility.

25 2. As used in this act:

26 "Hearing officer" means a person designated pursuant to
27 subsection b. of section 3 of this act to hear and determine
28 proceedings under this act.

29 "Landlord" means the person or persons who own or purport to
30 own ¹[or exercise control of]¹ any building in which there is
31 rented or offered for rent housing space for living or dwelling
32 under either a written or oral lease, including but not limited to
33 any building subject to the "Hotel and Multiple Dwelling Law,"
34 P.L.1967, c.76 (C.55:13A-1 et seq.), and owner-occupied two-unit
35 premises. ¹In the case of a mobile home park, "landlord" shall
36 mean the owner of an individual dwelling unit within the mobile
37 home park.¹

38 "Seasonal rental" means any rental of residential
39 accommodations for a term of less than one year and including
40 any part of the period extending from May 15 to September 15.

41 "Substantiated complaint" means a complaint which may form
42 the basis for proceedings in accordance with subsection a. of

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:

¹ Senate SCO committee amendments adopted May 4, 1992.

1 section 4 of this act.

2 3. a. Any municipality in a county of the fifth or sixth class
3 may enact an ordinance holding landlords of seasonal rentals to
4 standards of responsibility in the selection of tenants and
5 supervision of the rental premises, requiring that under certain
6 circumstances, as hereinafter in this act described, such landlords
7 may be required to post adequate bond against the consequences
8 of disorderly behavior of their tenants, and in the case of
9 subsequent violations forfeit such bond, in whole or part, in
10 compensation for the consequences of such behavior.

11 b. To assure impartiality in the administration of such an
12 ordinance, the municipal governing body shall make provision for
13 the hearings and decisions held and made thereunder to be
14 conducted and decided by a licensed attorney of this State who
15 shall not be an owner or lessee of any real property within the
16 municipality, nor hold any interest in the assets of or profits
17 arising from the ownership or lease of such property.

18 4. An ordinance adopted under authority of this section shall
19 provide:

20 a. If in any one year a specified number, which shall not be
21 less than ¹[two] three¹, of complaints, on separate occasions, of
22 disorderly, indecent, tumultuous or riotous conduct upon or in
23 proximity to any seasonal rental premises, and attributable to the
24 acts or incitements of any of the tenants of those premises, have
25 been substantiated by prosecution and conviction in any court of
26 competent jurisdiction, the municipal governing body or any
27 officer or employee of the municipality designated by the
28 governing body for the purpose, may institute proceedings to
29 require the landlord of those premises to post a bond against the
30 consequences of future incidents of the same character.

31 b. The governing body or person designated pursuant to
32 subsection a. of this section shall cause to be served upon the
33 landlord, in person or by registered mail to the address appearing
34 on the tax records of the municipality, notice advising of the
35 institution of such proceedings, together with particulars of the
36 substantiated complaints upon which those proceedings are based,
37 and of the time and place at which a hearing will be held in the
38 matter, which shall be in the municipal building, municipal court
39 or other public place within the municipality, and which shall be
40 no sooner than 30 days from the date upon which the notice is
41 served or mailed.

42 c. At the hearing convened pursuant to subsection b. of this
43 section, the hearing officer shall give full hearing to both the
44 complaint of the municipality and to any evidence in
45 contradiction or mitigation that the landlord, if present or
46 represented and offering such evidence, may present. At the
47 conclusion of the hearing the hearing officer shall determine
48 whether the landlord shall be required to post a bond in
49 accordance with the terms of the ordinance.

50 d. Any bond required to be posted shall be in accordance with
51 the judgment of the hearing officer, in light of the nature and
52 extent of the offenses indicated in the substantiated complaints
53 upon which the proceedings are based, to be adequate in the case
54 of subsequent offenses to make reparation for (1) damages likely

1 to be caused to public or private property and damages
2 consequent upon disruption of affected residents' rights of fair
3 use and quiet possession of their premises, (2) securing the
4 payment of fines and penalties likely to be levied for such
5 offenses, and (3) compensating the municipality for the costs of
6 repressing and prosecuting such incidents of disorderly behavior;
7 but no such bond shall be in an amount less than \$500 or more
8 than \$5,000. The municipality may enforce the bond thus
9 required by action in the Superior Court, and shall be entitled to
10 an injunction prohibiting the landlord from making or renewing
11 any lease of the affected premises for residential purposes until
12 that bond or equivalent security, in satisfactory form and
13 amount, has been deposited with the municipality.

14 e. A bond or other security deposited in compliance with
15 subsection d. of this section shall remain in force for a period
16 specified pursuant to the ordinance, which shall be not less than
17 two or more than four years. Upon the lapse of the specified
18 period the landlord shall be entitled to the discharge thereof,
19 unless prior thereto further proceedings leading to a forfeiture or
20 partial forfeiture of the bond or other security shall have been
21 had under section 5 of this act, in which case the security shall be
22 renewed, in an amount and for a period that shall be specified by
23 the hearing officer. ¹[Transfer of ownership or control of the
24 property shall not void a requirement for security imposed under
25 this act; the person or persons to whom ownership or control is
26 transferred shall maintain that security, and shall be subject to
27 injunctive proceedings as authorized by subsection d. of this
28 section in the same manner as the landlord upon whom the
29 requirement was originally imposed; provided, however, that the
30 municipal governing body may by resolution shorten the period
31 for which security is required to not less than one year from the
32 date of the transfer of ownership or control, if during that year
33 no substantiated complaints are recorded with respect to the
34 property in question.]¹

35 5. a. If during the period for which a landlord is required to
36 give security pursuant to section 4 of this act a substantiated
37 complaint is recorded against the property in question, the
38 governing body or its designee may institute proceedings against
39 the landlord for the forfeiture or partial forfeiture of the
40 security, for an extension as provided in subsection e. of section 4
41 of this act, of the period for which such security is required, or
42 for increase in the amount of security required, or for any or all
43 of those purposes.

44 b. Any forfeiture or partial forfeiture of security shall be
45 determined by the hearing officer solely in accordance with the
46 amount deemed necessary to provide for the compensatory
47 purposes set forth in subsection d. of section 4 of this act. Any
48 decision by the hearing officer to increase the amount or extend
49 the period of the required security shall be determined in light of
50 the same factors set forth in subsection d. of subsection 4 of this
51 act, and shall be taken only to the extent that the nature of the
52 substantiated complaint or complaints out of which proceedings
53 arise under this section indicates the appropriateness of such
54 change in order to carry out the purposes of this act effectually.

1 The decision of the hearing officer in such circumstances shall be
2 enforceable in the same manner as provided in subsection d. of
3 section 4 of this act.

4 6. This act shall take effect immediately.

5

6

7

8

9 _____
10 Permits certain municipalities to require bond from seasonal
rental landlords in certain circumstances.

STATEMENT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45

Many shore resort communities have experienced disturbances, damage and public expense resulting from carelessly granted and inadequately supervised seasonal rentals to irresponsible vacationers by inept or indifferent landlords.

It is the purpose of this legislation to enable such communities to take effective action to assure that excesses, when they occur, shall not be repeated, and that landlords offering seasonal rentals be held to sufficient standards of responsibility.

This bill would allow municipalities in the shore resort areas (5th and 6th class counties) to adopt ordinances under which, when a rental property has become the source of at least two "substantiated complaints" -- that is, complaints that have led to prosecution and conviction on two or more separate occasions -- in one year, the municipality may institute an administrative proceeding to make the landlord post a bond or equivalent security to compensate for any future damage or expense the municipality or its residents may suffer from future repetitions of such conduct. The amount of bond required could range from \$500 to \$5,000.

If no further substantiated complaints arise for a specified period -- the ordinance may specify not less than two or more than four years -- the bond shall be discharged. But if further complaints are substantiated during that period, the bonded period may be extended or the amount of bond increased. Incidents occurring during the bonded period may result in forfeiture or partial forfeiture of the bond in order to compensate for the damage and expense caused thereby. Transfer of the ownership or control of the property would not affect the period or amount of security required, except that the municipal governing body could shorten the period for a new owner to not less than one year if in that year no substantiated complaints are recorded.

To assure impartiality in the administration of this system within any municipality, it is provided that the municipal governing body arrange to have the administrative proceedings conducted and decisions made by an attorney who is neither a resident of nor a property owner in that municipality.

Permits certain municipalities to require bond from seasonal rental landlords in certain circumstances.

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 665

STATE OF NEW JERSEY

DATED: MARCH 11, 1993

The Assembly Local Government Committee reports favorably Senate Bill No. 665 (1R).

Senate Bill No. 665 (1R) allows municipalities in fifth and sixth class counties to adopt ordinances under which, when a rental property has become the source of at least three "substantiated complaints" in one year, the municipality may institute an administrative proceeding to make the landlord post a bond or equivalent security to compensate for any future damage or expense the municipality or its residents may suffer from future repetitions of such conduct. The bill defines a "substantiated complaint" as one that has led to prosecution and conviction on three or more separate occasions. The amount of bond required could range from \$500 to \$5,000.

If no further substantiated complaints arise for a period of not less than two or more than four years as specified in the ordinance the bond shall be discharged. But if further complaints are substantiated during that period, the bonded period may be extended or the amount of bond increased. Incidents occurring during the bonded period may result in forfeiture or partial forfeiture of the bond in order to compensate for the damage and expense caused thereby.

To assure impartiality in the administration of this system within any municipality, the bill permits the municipal governing body to arrange to have the administrative proceedings conducted and decisions made by an attorney who is neither a resident of nor a property owner in that municipality.

According to both the 1980 and 1990 censuses, Monmouth, Ocean and Atlantic are counties of the fifth class and Cape May is the only county of the sixth class.

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 665

with Senate committee amendments

STATE OF NEW JERSEY

DATED: MAY 4, 1992

The Senate Community Affairs Committee favorably reports Senate Bill No. 665 with Senate committee amendments.

Senate Bill No. 665, as amended by the committee, would allow municipalities in fifth and sixth class counties to adopt ordinances under which, when a rental property has become the source of at least three "substantiated complaints" -- that is, complaints that have led to prosecution and conviction on three or more separate occasions -- in one year, the municipality may institute an administrative proceeding to make the landlord post a bond or equivalent security to compensate for any future damage or expense the municipality or its residents may suffer from future repetitions of such conduct. The amount of bond required could range from \$500 to \$5,000.

If no further substantiated complaints arise for a specified period -- the ordinance may specify not less than two or more than four years -- the bond shall be discharged. But if further complaints are substantiated during that period, the bonded period may be extended or the amount of bond increased. Incidents occurring during the bonded period may result in forfeiture or partial forfeiture of the bond in order to compensate for the damage and expense caused thereby.

To assure impartiality in the administration of this system within any municipality, it is provided that the municipal governing body arrange to have the administrative proceedings conducted and decisions made by an attorney who is neither a resident of nor a property owner in that municipality.

According to both the 1980 and 1990 censuses, Monmouth, Ocean and Atlantic are counties of the fifth class and Cape May is the only county of the sixth class.

The committee amended the bill to clarify that, in the case of a mobile home park, the definition of landlord shall refer to the owner of an individual dwelling unit within the mobile home park.

Additionally, the committee amended the bill to increase to three in any one year the number of complaints of disorderly, indecent, tumultuous or riotous conduct which must occur before the municipality may institute proceedings to require the landlord to post a bond against the consequences of future incidents.

Finally, the committee amended the bill to eliminate the provision that would have provided that the transfer of ownership or control of the property shall not void a requirement for security imposed under the act.