

52:27D-351

LEGISLATIVE HISTORY CHECKLIST  
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**NJSA:** 52:27D-351 (Continuing care--retirement communities)

**LAWS OF:** 1991 **CHAPTER:** 314

**Bill No:** A3346

**Sponsor(s):** Cohen

**Date Introduced:** April 23, 1990

**Committee: Assembly:** Senior Citizens

**Senate:** ---

**Amended during passage:** Yes Amendments during passage  
denoted by asterisks

**Date of Passage: Assembly:** March 4, 1991

**Senate:** September 26, 1991

**Date of Approval:** November 14, 1991

**Following statements are attached if available:**

**Sponsor statement:** Yes

**Committee Statement: Assembly:** Yes

**Senate:** No

**Fiscal Note:** No

**Veto Message:** No

**Message on signing:** Yes

**Following were printed:**

**Reports:** No

**Hearings:** No

See newspaper clippings -- attached

KBG/dgw

[FIRST REPRINT]  
ASSEMBLY, No. 3346

STATE OF NEW JERSEY

INTRODUCED APRIL 23, 1990

By Assemblyman COHEN and Assemblywoman FORD

1 AN ACT concerning continuing care retirement communities and  
2 amending P.L.1986, c.103.

3

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

6 1. Section 22 of P.L.1986, c.103 (C.52:27D-351) is amended to  
7 read as follows:

8 22. If the commissioner determines or has cause to believe  
9 that a person has engaged in any act or practice which  
10 constitutes a violation of this act, the commissioner may take  
11 any or all of the following actions, as appropriate:

12 a. Issue an order requiring the person to cease and desist from  
13 engaging in the act or practice; [or]

14 b. Bring an action in a court of competent jurisdiction to  
15 enjoin the act or practice and to enforce compliance with this  
16 act. Upon a proper showing, the court may grant a permanent or  
17 temporary injunction, restraining order or writ of mandamus and  
18 may appoint a receiver or conservator for the defendant or the  
19 defendant's assets. The commissioner shall not be required to  
20 post a bond; or

21 c. Levy and collect civil penalties in the amount of not less  
22 than \$250, and not more than \$50,000, for each violation of this  
23 act or any rule adopted pursuant thereto, and compromise and  
24 settle any claim for a penalty in such amount in the discretion of  
25 the commissioner as may appear appropriate and equitable under  
26 the circumstances of the violation. Each day during which a  
27 violation continues after the effective date of a notice to  
28 terminate issued by the commissioner shall constitute an  
29 additional, separate and distinct violation. If an administrative  
30 order levying a civil penalty is not satisfied within 30 days of its  
31 issuance, the commissioner may sue for and recover the penalty  
32 with costs in a summary proceeding under "the penalty  
33 enforcement law" (N.J.S.2A:58-1 et seq.) in the Superior Court.

34 <sup>1</sup>The commissioner shall promulgate regulations pursuant to  
35 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
36 et seq.), regarding the implementation of subsection c. of this  
37 section.<sup>1</sup>

38 (cf: P.L.1986, c.103, s.22)

39 2. This act shall take effect immediately.

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:  
<sup>1</sup> Assembly ASC committee amendments adopted December 3, 1990.

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2

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## STATEMENT

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5 This bill amends the "Continuing Care Retirement Community  
6 Regulation and Financial Disclosure Act," P.L.1986, c.103  
7 (C.52:27D-330 et seq.) to provide for civil penalties ranging from  
8 \$250 to \$50,000 for each violation of the act. These penalties are  
9 consistent with civil penalties in other statutes administered by  
10 the Department of Community Affairs. Section 18 of "The  
11 Planned Real Estate Development Full Disclosure Act," P.L.1977,  
12 c.419 (C.45:22A-38), for example, provides for the same fines per  
13 violation.

14 The enforcement of the "Continuing Care Retirement  
15 Community Regulation and Financial Disclosure Act" has been  
16 hampered by the absence of civil penalties in the law as it was  
17 originally enacted. These penalties will give the Commissioner of  
18 Community Affairs an additional enforcement tool to use against  
19 those who violate this law.

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21

22

## SENIOR CITIZENS

23

24 Provides for civil penalties in the "Continuing Care Retirement  
25 Community Regulation and Financial Disclosure Act."

*A 3346 (1991)*

ASSEMBLY SENIOR CITIZENS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3346**

with committee amendments

**STATE OF NEW JERSEY**

DATED: DECEMBER 3, 1990

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The Assembly Senior Citizens Committee favorably reports Assembly Bill No. 3346 with committee amendments.

This bill amends the "Continuing Care Retirement Community Regulation and Financial Disclosure Act," P.L.1986, c.103 (C.52:27D-330 et seq.) to provide for civil penalties ranging from \$250 to \$50,000 for each violation of the act. These penalties are consistent with civil penalties in other statutes administered by the Department of Community Affairs. Section 18 of "The Planned Real Estate Development Full Disclosure Act," P.L.1977, c.419 (C.45:22A-38), for example, provides for the same fines per violation.

The enforcement of the "Continuing Care Retirement Community Regulation and Financial Disclosure Act" has been hampered by the absence of civil penalties in the law as it was originally enacted. These penalties will give the Commissioner of Community Affairs an additional enforcement tool to use against those who violate this law.

The amendments add language to specifically require the Commissioner of the Department of Community Affairs to implement regulations regarding the imposition of these civil penalties.



# OFFICE OF THE GOVERNOR

## NEWS RELEASE

CN-001  
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Release: THURSDAY  
NOV. 14, 1991

### GOVERNOR FLORIO SIGNS LAW PROTECTING ELDERLY FROM FRAUD

Governor Jim Florio today signed a law designed to protect the elderly from fraud or financial damage at the hands of unscrupulous or unregulated adult retirement communities and other facilities that provide continuing care to the elderly.

The law amends the "Continuing Care Retirement Community Regulation and Financial Disclosure Act" to provide for civil penalties ranging from \$250 to \$50,000 for each violation of the act.

The existing law allowed the Department of Community Affairs to regulate retirement communities and similar facilities to protect residents from fraudulent practices. However, the former law only allowed the department to issue cease and desist orders or bring actions in court to enforce the Act, and did not allow civil penalties to be imposed.

The bill, A-3346/S-313, was sponsored by Assemblyman Cohen and Assemblywoman Ford and Senator Lynch.

"The elderly can be vulnerable consumers at the hands of unscrupulous or fraudulent facilities, and it is our job to protect them," Governor Florio said. "This law helps us do that."

Governor Florio today also signed the following bills:

#### **A-3679; Sponsored by Assemblymen Roberts and Penn**

This bill amends the interstate banking law to include state or federally chartered mutual or stock savings banks.

#### **A-1962; Sponsored by Assemblyman Moran and Speaker Doria**

This bill allows barbers and beauticians two opportunities to pass the licensing exam.

#### **A-554; Sponsored by Assemblymen Imprevaduto and Kronick**

This bill amends the Local Public Contracts Law to allow a municipality to enter into a contract for "basic life support services" for up to five years. Current law limits such contracts to 12 months, except if contracting with a hospital for emergency medical service (EMS).