2A:42-14 ET seq.

September 25, 1969

RENT CONTROL - N.J.

2A:42-14 et seq.

L.1950, Chapter 234
S264
original bill with sponsors' statement attached

Repealed by:

L.1953, Chapter 216
"State Rent Control Act of 1953"
Expired December 31, 1954.
S373
no sponsor's statement

Amended L.1954, Chapter 260
Expired June 30, 1956
S384
original bill with sponsor's statement attached

See:
974.90 H842 1954 — NJ. Department of Conservation and Economic Development. State Rent Control Office. Interim report on administration of State Rent Control Act of 1953. Feb. 26, 1954. Trenton, 1954.

L.1956, Chapter 146
"Optional Rent Control Act"
Expired December 31, 1957.
A591
no sponsor's statement

L.1966, Chapter 168
Municipal rent control on substandard dwellings.

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SENATE, No. 264

STATE OF NEW JERSEY

INTRODUCED MARCH 8, 1950

By Mr. HAND

Referred to Committee on Counties and Municipalities

AN ACT to regulate, control and stabilize rents and possession of housing space and declaring an emergency with respect thereto.

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

1. The Legislature hereby finds and declares that a serious public emergency exists due to the continued critical shortage of housing space within the State of New Jersey resulting from the economic effects and conditions created by the prosecution of World War II and the aftermath of hostilities.

2. It is hereby declared to be in the interest of the health, safety and general welfare of the people of New Jersey to prevent unwarranted and abnormal increases in rents; to alleviate the effects of the critical shortage in housing space and living accommodations of every description caused by the economic dislocations of World War II and the aftermath of hostilities; and to protect persons living in the State of New Jersey from undue impairment of their standard of living during the present emergency and critical housing shortage.

3. (a) There is hereby established in the Department of Conservation and Economic Development, the Office of State Rent Control Commissioner. The Commissioner of Conservation and Economic Development shall be the State Rent Control Commissioner.

(b) There is hereby established in the Department of Conservation and Economic Development a State Rent Control Board which shall consist of nine members. Each member of the board shall be appointed by the Governor, with the advice and consent of the Senate, and shall serve at the pleasure of the Governor. Three of such members shall be tenant representatives, three shall be landlord representatives, and three shall represent the public interests. The Governor shall designate one of the members of the board to serve as chairman thereof. The members of the board shall serve without compensation but shall be reimbursed for necessary expenses incurred in the performance of their duties. Any vacancy in the membership of said board occurring from any cause shall be filled in the same manner as the original appointment.

(c) There is hereby established in each of the counties of this State, a county rent control board, which shall consist of the members of the county board of taxation in each of said counties as said board is now or may hereafter be duly and legally constituted.

4. It shall be unlawful, regardless of any contract, agreement, lease or other obligation heretofore or hereafter entered into, or any notice of increase in rent or eviction served upon any tenant, for any person to demand or receive any rent for housing space in excess of the lawful rent established or fixed for such housing space as of June first, one thousand nine hundred and fifty, except as otherwise hereinafter provided; to evict, dispossess or institute any action for the repossession of housing space except as hereinafter provided; or to willfully do or attempt to do any act in violation of this act or any regulation or order issued under authority of this act.

5. (a) Subject to the approval of the State Rent Control Board, the commissioner shall establish, and may from time to time amend, modify, or repeal, such regulations as may be necessary to effectuate the purposes of this act. Whenever in the judgment of the commissioner such action is necessary or proper in order to effectuate the purposes of this act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices or

renting or leasing practices, including practices relating to the recovery or possession of housing space. Subject to the approval of the State Rent Control Board, regulations under this act may contain such provisions as the commissioner deems necessary to prevent the circumvention or evasion thereof.

(b) The State Rent Control Board shall approve the regulations issued by the commissioner before they shall become effective and shall act in an advisory capacity in assisting the commissioner to effectuate the purposes of this act.

(c) The county rent control board or its agent or agents designated by a majority of the board in the county in which the housing space is located shall conduct hearings and make appropriate orders thereon in accordance with the provisions of this act and the regulations established hereunder. Hearings may be conducted by a single member of such county board or its agent. All findings and determinations shall be reviewed and approved by a majority of said board. The number of agents in each county shall be determined by the commissioner.

(d) The commissioner may utilize the services of State, county or local agencies, boards and departments and may utilize and establish such regional, county or other agencies, and utilize such voluntary and uncompensated services as may be available and as he deems desirable or necessary to carry out his functions and duties under this act. The commissioner may appoint such employees, on a temporary basis, as he deems necessary to assist him in the performance of his duties under this act and shall fix their compensation within the limits of available appropriations therefor. Such appointments shall be only for the duration of the emergency herein declared and shall not be subject to the provisions of Title 11 of the Revised Statutes of one thousand nine hundred and thirty-seven as amended and supplemented. He may also delegate such of his powers as he may deem desirable and necessary for the efficient performance of his duties in effectuating the purposes of this act.

6. The county rent control board, under regulations promulgated by the commissioner may, upon proper application and after a hearing, upon notice to all parties in interest, by appropriate order, allow such adjustments in the rent for any housing space as shall be deemed just and equitable by said board. In arriving at this determination, the county board shall give due consideration to the changes, since January first, one thousand nine hundred and forty-two, in the following factors concerning the property in question:

(1) Taxes;

(2) Costs of maintenance and operation of the property;

(3) The kind, quality and quantity of services furnished or the kind, quality and quantity of services due the tenant and being withheld by the landlord; and

(4) Any increase in the present rental of said space over the rent pertaining on June first, one thousand nine hundred and forty-six.

The county board also may give consideration to such other factors as may bear upon the application before it.

The county rent control board is authorized, after hearing, to order a decrease in the lawful rent payable for any housing space where, on petition filed, it shall be satisfied that the landlord is withholding services, furniture, furnishings and equipment rightfully due the tenant.

No rent adjustment approved by the county rent control board shall be retroactive.

In no event shall any increase in rent be allowed which will result in an increase in rent in excess of ten per centum (10%) of the lawful rent for the housing space, the subject matter of any application to the board, as of June first, one thousand nine hundred and fifty; *provided, however,* that no increase shall be allowed where the same, together with any increase in rent for the housing space granted or permitted by the Federal Housing Expediter, or any office thereof, or under or pursuant to any Federal law since June thirtieth, one thousand nine hundred and forty-seven, is equal to or more than ten per centum (10%) of the lawful rent for the housing space as of June thirtieth, one thousand nine hundred and forty-seven.

7. Either party who may feel aggrieved by the order of the county board may appeal therefrom to the County Court of the county in which the housing space in question is located. Notice of appeal shall be filed with the clerk of the court within ten days from the date of the order and a copy of such notice shall be served upon the other party within three days thereafter. The case shall then be placed upon a special calendar of cases arising under this act. The County Court shall speedily hear the case de novo, without a jury. In determining such appeal, the court shall be governed by the provisions of this act and the regulations promulgated hereunder.

8. Proceedings may be instituted and maintained in any court of competent jurisdiction for the recovery of possession of any housing space only under the following conditions:

(a) On account of default in the payment of rent, provided the complainant shall allege in the complaint or affidavit and prove to the satisfaction of the court that the rent charged is not greater than the lawful rent established for such housing space as of June first, one thousand nine hundred and fifty, or such other rent therefor as may have been fixed pursuant to sections five and six of this act.

(b) In cases where a person owns or acquires an enforceable right to buy and take possession of the housing space and seeks in good faith for his own use to recover or obtain possession of the housing space owned or acquired as herein set forth, subject, however, to such regulations governing such cases as shall be promulgated by the commissioner; and

(c) In all other cases as may be provided by the regulations of the commissioner.

No judgment for possession of housing space pursuant to the provisions of subsections (b) and (c) shall be entered by any court unless the complainant shall satisfy the court that he has complied with all the provisions of this act and the regulations issued thereunder.

All issues concerning compliance with the provisions of this act and the regulations issued thereunder shall first be determined by the judge in a summary manner.

9. Any additional housing space created by new construction subsequent to the effective date of this act, shall be exempt from the provisions of this act and the regulations issued under its authority; *provided, however,* that when such space shall have been rented at a rental fixed by the owner thereof, the provisions of this act and the regulations issued hereunder shall thereafter apply.

10. (a) Any regulation or order issued under this act may be in such form and may contain such classifications and differentiations, and may provide for such adjustments or reasonable exceptions, as in the judgment of the commissioner are necessary or proper in order to effectuate the purposes of this act. Under regulations to be prescribed by the commissioner he shall provide for exceptions with reference to housing space rented, leased or subleased for seasonal use; housing space situated on a farm and occupied by a tenant who is engaged for a substantial portion of his time in farming operations thereon, and housing space occupied by domestic servants, caretakers, managers, or other employees to whom the space is provided as part or all of their compensation and who are employed for the purpose of rendering services in connection with the premises of which the housing space is a part.

Subject to regulations which may be promulgated by the commissioner, if, after public hearing called upon due notice, any county rent control board shall find, upon the evidence adduced at such hearing, that exceptions with reference to housing space, or any type or classification thereof, in any area within the county, are within the purposes of this act in its judgment warranted, it may submit its findings and recommended exceptions, together with a certified copy of the record taken at such hearing, to the State Rent Control Board. Such exceptions shall take effect only if approved by the State Rent Control Board in the manner and form to be prescribed by it, upon its determination that the findings of the county rent control board are supported by the evidence adduced at the hearing.

(b) The commissioner and the State Rent Control Board are authorized to make such studies and investigations, to conduct such hearings and to obtain such information as they deem necessary or proper to assist them in prescribing any regulation or order under this act, or in the administration and enforcement of this act and regulations and orders thereunder.

(c) The commissioner, the State Board of Rent Control and the county boards of rent control or any member of such boards may administer oaths and affirmations and may, whenever necessary, by subpœna require any person to appear and testify or to appear and produce documents or both at any designated place.

(d) In case of contumacy by, or refusal to obey a subpœna served upon, any person pursuant to subsections (b) or (c), the County Court for any county in which such person is found or resides, upon application by the commissioner or on behalf of any county rent control board, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(e) Witnesses subpœnaed under this section shall be paid the same fees and mileage as are paid witnesses in courts of law.

(f) Any person subpœnaed under this section shall have the right to make a record of his testimony and to be represented by counsel.

11. Any person who shall willfully violate any of the provisions of this act or any regulation thereunder, or who shall willfully aid and abet the violation of any of the provisions of this act or the regulations thereunder or attempt to do any of the foregoing shall be adjudged a disorderly person and shall upon conviction be dealt with as provided in chapter two hundred five of Title 2 of the Revised Statutes of New Jersey and the supplements thereto and amendments thereof.

12. Whenever the commissioner has reason to believe that any person is liable to punishment under this act, he may certify the findings to the Attorney-General, who shall cause appropriate proceedings to be brought.

The Attorney-General shall furnish to the commissioner, the State Rent Control Board and the county rent control boards, the necessary legal assistance required for the administration of this act.

13. Any waiver of any of the provisions of this act shall be unenforceable and void unless approved by the commissioner.

14. To the extent that the provisions of this act are inconsistent with the provisions of any other law, the provisions of this act shall be controlling.

15. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid or unconstitutional, the validity and constitutionality of the remainder of the act and the applicability of such provisions to other persons or circumstances shall not be affected thereby.

16. Unless expressly otherwise provided, whenever used in this act, the following terms shall mean or include:

(a) "Housing space." All dwelling space in hotels, and dwelling space in rooming houses, boarding houses, dormitories, residence clubs, tourist homes or cabins, apartment houses, dwelling and other housing accommodations of a similar nature together with all privileges, services, furnishings, furniture, equipment, facilities and improvements connected with the use or occupancy of such housing space; but not including any of such foregoing spaces which are exempt from the provisions of this act.

(b) "Landlord." An owner, lessor, sublessor, receiver, trustee, executor, assignee, or other person receiving or entitled to receive rent for the use or occupancy of the whole or a part of any housing space.

(c) "Tenant." A lessee, sublessee, licensee, or other person entitled to the possession or to the use or occupancy of the whole or a part of any housing space.

(d) "Exception." Any exemption, in whole or in part, from the provisions of this act or any regulation issued hereunder.

(e) "Services." Repairs, decorating and maintenance, the furnishing of light, steam, heat, hot and cold water, telephone, elevator service, cleaning serv-

ice, linen service, janitor service, the removal of refuse and any other facility or privilege connected with and furnished by the landlord for the use or occupancy of the housing space.

(f) "Rent." The consideration, including any bonus, benefit, or gratuity, charged or received by the landlord, his agents, or other representatives for the use or occupancy of the whole or any part of any housing space created prior to the effective date of this act, and including the services in connection therewith.

(g) "Person." An individual, corporation, partnership, association, or any other organized group of individuals or the legal successor or representative of any of the foregoing.

17. The provisions of this act shall not be or become operative so long as rent control established by the Federal Price Administrator pursuant to the emergency price control act of one thousand nine hundred and forty-two, as amended, or other duly authorized officer or agency of the United States pursuant to any Federal law, is in force and effect whether or not by the terms of such Federal act or law or by administrative regulation or order, it is limited or confined to, or excepts any rent control area or other area or region in this State, or any type, category or other classification of housing accommodations or space heretofore or hereafter subject to control of rents, or housing accommodations or space heretofore or hereafter constructed.

18. The provisions of this act and all regulations and orders thereunder shall, unless extended by act of the Legislature, terminate on June thirtieth, one thousand nine hundred and fifty-one, or upon the date specified in a proclamation by the Governor declaring that the further continuance of the provisions of and the authority granted by this act are not necessary in the interests of the public health, safety and general welfare, whichever date is the earlier; or the operation of this act may be suspended and restored by proclamation of the Governor prior to the termination date hereof; except that as to offenses committed, or rights or liabilities incurred, prior

to such termination date, the provisions of this act and such regulations and orders thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit, action or prosecution with respect to any such right, liability or offense.

19. This act shall take effect June thirtieth, one thousand nine hundred and fifty, except that any appointment, and any confirmation of any appointment, permitted by this act may be made prior to such date.

STATEMENT

In his Second Inaugural Address to the Legislature, on January 17th, Governor Driscoll called attention to the need for the continuation of rent controls "until such time as there is a reasonable balance between housing supply and demand." The Governor urged the adoption of "legislation establishing a State stand-by residential rent control law—one that will serve fully to protect our citizens should the Federal Government decide to withdraw from this activity."

The purpose of this bill is to assure the continuance of such controls until at least June 30, 1951. This will prevent any hiatus in rent control from occurring should the Federal law on the subject lapse before then.

tofore made or promulgated under the act to which this act is amendatory and supplementary, but such resolutions, orders, determinations or certificates of eviction, designations and appointments and regulations shall, notwithstanding the provisions thereof, continue in full force and effect until amended, supplemented, modified, rescinded or repealed pursuant to law.

16. This act shall take effect immediately.

STATEMENT

This bill extends the State Rent Control Act of 1953 to midnight June 30, 1956, subject to suspension of controls during such period by proclamation of the Governor or restoration by proclamation where he finds that such suspension or restoration is necessary in the public interest. It amends section 1 to define Federal Rent Control as it existed on July 31, 1953, and excepts from controls new construction after August 1, 1953, dwelling units not rented during Federal Control and units owned by governmental agencies. It includes a definition of Director, Agency and Review Board. It amends section 2 increasing the Director's salary from $10,000 to $12,000 because of added duties and responsibilities and extends his term until December 31, 1956. It amends section 4 to authorize the Director within the limits of the available appropriations to employ a deputy, investigators, hearers and examiners not subject to civil service and to provide that employees of agencies and review boards in such employment shall not be so subject. It amends section 7 providing for standards, which, among other things, state that the powers of the Director and the regulations shall be to effectuate gradual decontrol, encourage creation of additional housing units at moderate rentals, rehabilitation of slums or areas in the process of becoming slums by private enterprise and encouraging of landlords and tenants of making long-term leases. The other provisions of section 7 are similar to the present act except that the Director is authorized by regulation to except housing space from control on various grounds. It provides for administrative reviews by the Director in special cases through assistants, hearers and examiners of orders of agencies and review boards and that such

matters be decided by the Director after due consideration of written findings, conclusions and recommendations of such assistants, hearers or examiners and for a review by a county district court of any such order of the Director. It amends section 15 so that it will also apply to courts and the Director that no order of increase shall be retroactive. It amends section 19 which now provides that the lawful base rental date of the premises in existence shall be the rent payable as of July 31, 1953, to provide the lawful base rental date for premises not rented on that date be the rent lawfully payable on the date such premises were last rented prior thereto and, if not so rented, the rent when first rented subsequent thereto and that the lawful base rent for housing space becoming subject to control as a result of resolutions adopted by municipalities after the effective date of the amendment and not controlled on November 1, 1954, shall be the lowest rent payable during the three-month period immediately preceding the date of the introduction of such a resolution. It supplements the act so as to provide for criminal penalties for willful violations and empowers the Superior Court to restrain violations and enforce compliance; and provides that resolutions, orders and regulations now in effect shall continue in effect under the new act until changed pursuant to law.