

## LEGISLATIVE HISTORY CHECKLIST

**NJSA:** 55:13B-10 ("Rooming and Boarding House Act of 1979"-- strengthen State's enforcement powers)

**LAWS OF:** 1985 **CHAPTER:** 413

**BILL NO:** S2220

**Sponsor(s):** Hagedorn

**Date Introduced:** September 20, 1984

**Committee: Assembly:** Corrections, Health and Human Services  
**Senate:** Institutions, Health and Welfare

**Amended during passage:** No Substituted for A2678 (not attached since identical to S2220)

**Date of Passage: Assembly:** December 9, 1985  
**Senate:** January 31, 1985

**Date of Approval:** January 13, 1986

**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

SENATE, No. 2220

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 20, 1984

By Senator HAGEDORN

Referred to Committee on Institutions, Health and Welfare

AN ACT concerning violations of the "Rooming and Boarding House Act of 1979," and amending and supplementing P. L. 1979, c. 496 (C. 55:13B-1 et seq.).

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

1 1. Section 10 of P. L. 1979, c. 496 (CC. 55:13B-10) is amended  
2 to read as follows:

3 10. a. No person shall: (1) obstruct, hinder, delay or otherwise  
4 interfere with any action of the commissioner in the exercise of  
5 any power or duty under the provisions of this act; (2) prepare,  
6 utter or otherwise render any false statement, application, report  
7 or document which is permitted or required pursuant to this act;  
8 or (3) refuse to comply with any ruling, order, notice or action  
9 made by the commissioner pursuant to the provisions of this act.

10 b. Any person who violates any provision of subsection a. above  
11 shall be liable for a civil penalty of not less than \$50.00 nor more  
12 than \$5,000.00 for each violation. Each day during which any person  
13 violates any such provision after the date fixed for termination of  
14 the violation in any order for termination issued by the commis-  
15 sioner, shall constitute an additional, separate and distinct viola-  
16 tion, except during the time an appeal from such an order is taken  
17 or pending. If an administrative penalty order has not been satis-  
18 fied within 30 days of its issuance, the penalty may be sued for and  
19 recovered by the commissioner in a summary proceeding in the  
20 Superior Court under "the penalty enforcement law" (N. J. S.  
21 2A:58-1 et seq.).

22 c. The commissioner may suspend, cancel, revoke, or refuse to  
23 issue any endorsements to the license of any owner or operator who  
24 violates any provision of subsection a. above.

**Matter printed in italics thus is new matter.**

25     Where the owner or operator found to be in violation of subsec-  
 26     tion a. of this section is a corporation, then the commissioner may  
 27     suspend, cancel, revoke, or refuse to issue any endorsement to the  
 28     license of: (1) the officers, directors and shareholders of the corpo-  
 29     ration, and (2) any corporation owning or operating a rooming or  
 30     boarding house that has among its officers, directors or shareholders  
 31     any person whose license has been suspended, cancelled or revoked  
 32     pursuant to paragraph (1) of this subsection.

33     d. Where either the owner or operator of a boarding or rooming  
 34     house found to be in violation of subsection a. above is a corpora-  
 35     tion, then, in addition to the corporation being subject to the penal-  
 36     ties set forth in subsection b., the officers and directors of the corpo-  
 37     ration are subject, individually and personally, to those penalties.

1     2. (New section) The penalties contained in this section are in  
 2     addition to any other penalties which may be imposed for a viola-  
 3     tion of P. L. 1979, c. 496 (C. 55:13B-1 et seq.).

4     a. A person who knowingly owns or operates a boarding or room-  
 5     ing house without a valid license issued pursuant to section 7 of  
 6     P. L. 1979, c. 496 (C. 55:13B-7) commits a disorderly persons  
 7     offense.

8     b. An owner or operator of a boarding or rooming house who  
 9     knowingly fails to correct or abate any violation within the time  
 10     period specified in a notice or report of violation or any order of  
 11     the Commissioner of Community Affairs rendered as a result of  
 12     an inspection conducted by the Department of Community Affairs  
 13     or any duly authorized municipal or county inspector commits a  
 14     disorderly persons offense.

15     c. An owner or operator of a boarding or rooming house who  
 16     knowingly fails to comply with an order of the commissioner issued  
 17     after a finding of imminent hazard pursuant to section 11 of P. L.  
 18     1979, c. 496 (C. 55:13B-11) commits a crime of the fourth degree.

19     d. Where a corporation is the owner or operator of a boarding  
 20     or rooming house, the corporate officers, as well as the corporation,  
 21     are liable for violations of subsections a., b. and c. of this section.

22     e. It is no defense to a violation of this section that the owner  
 23     or operator of the rooming or boarding house has not collected  
 24     rent, or has been unable to collect rent, from the residents of the  
 25     premises.

1     3. (New section) Where a notice, order or report served or issued  
 2     pursuant to the provisions of P. L. 1979, c. 496 (C. 55:13B-1 et seq.)  
 3     specifies several conditions in need of correction or abatement,  
 4     failure to correct or abate each condition constitutes a separate  
 5     offense under that act.

1     4. This act shall take effect on the 90th day following enactment.

## STATEMENT

This bill strengthens the State's enforcement powers to hold those responsible for the operation of rooming and boarding homes liable if they fail to comply with the "Rooming and Boarding House Act of 1979," P. L. 1979, c. 496 (C. 55:13B-1 et seq.). Many rooming house and boarding home operators escape liability and prosecution for violations by establishing elaborate corporate structures to shield themselves from direct accountability. This bill enables the Department of Community Affairs, municipalities and county prosecutors "to pierce the corporate veil" to prevent owners and operators, whether individuals or corporations, from escaping liability for failing to maintain and operate these facilities in a lawful manner.

The bill also imposes criminal penalties for violations of the act in addition to those already available.

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S2226(1985)

ASSEMBLY CORRECTIONS, HEALTH AND  
HUMAN SERVICES COMMITTEE

STATEMENT TO

**SENATE, No. 2220**

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**STATE OF NEW JERSEY**

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DATED: MAY 13, 1985

This bill amends the "Rooming and Boarding House Act of 1979" to strengthen the act's enforcement provisions.

The bill provides that if the owner or operator found to be in violation of the act is a corporation, the Commissioner of Community Affairs may take action against the corporation and the officers, directors and shareholders of the corporation as well. The action includes suspension, cancellation or revocation of, or refusal to issue, an endorsement of the license to operate the facility. The bill also provides that the officers and directors of the corporation which is in violation of the act are individually and personally subject to the penalties in the act. Finally, the bill establishes criminal penalties for certain violations of the act which will be in addition to the civil penalties presently in the law.

The bill is identical to Assembly Bill No. 2678 (Flynn) which the committee reported at the same time. The committee reported this bill favorably without amendments.

SENATE INSTITUTIONS, HEALTH AND WELFARE  
COMMITTEE

STATEMENT TO  
**SENATE, No. 2220**

**STATE OF NEW JERSEY**

DATED: NOVEMBER 19, 1984

This bill amends the "Rooming and Boarding House Act of 1979" to strengthen the act's enforcement provisions.

The bill provides that if the owner or operator found to be in violation of the act is a corporation, the Commissioner of Community Affairs may take action against the corporation and the officers, directors, and shareholders of the corporation, as well. The action includes suspension, cancellation or revocation of or refusal to issue an endorsement of the license to operate the facility. The bill also provides that the officers and directors of the corporation which is in violation of the act are individually and personally subject to the penalties in the act. Finally, the bill establishes criminal penalties for certain violations of the act which will be in addition to the civil penalties presently in the law.

S-1452, sponsored by State Senator Wayne Dumont, Jr., R-Warren, which permits counties and municipalities to convey for nominal consideration to nonprofit organizations property which the organization will rehabilitate.

S-2220, sponsored by State Senator Garrett W. Hagedorn, R-Bergen, which strengthens the Rooming and Boarding House Act of 1979, by allowing the Commissioner of the Department of Community Affairs to suspend, cancel, revoke or refuse to endorse the license of a boarding house in cases where the operators, officers, directors or shareholders of the owning corporation have obstructed the enforcement of the act, made any false statement or report under the Act or refused to comply with rulings or orders by the Commissioner.

S-2253, sponsored by Senate President Carmen A. Orechio, D-Essex, which would allow a member of the Public Employees Retirement System who holds public office to file for retirement and commence receiving a retirement allowance so long as the allowance is not based solely on service in the office to which he is elected.

S-2296, sponsored by State Senator Raymond Lesniak, D-Union, which amends and supplements the hazardous materials transportation program by adding necessary enforcement provisions, provides for State adoption of the Federal Motor Carrier Safety Regulations for interstate carriers and provides a \$1 million supplemental appropriation to the Department of Law and Public Safety to fund the enforcement program.

S-2376, also sponsored by Senate President Orechio, which appropriates \$70 million in bond proceeds from the Water Supply Bond Act of 1981 to make a low-interest loan to the North Jersey District Water Supply Commission to finance its share of the cost of the Monksville Reservoir-Wanaque South Water Supply project.