

ASSEMBLY, No. 2737

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED MARCH 15, 2012

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

SYNOPSIS

Clarifies intent of Legislature to protect certain senior tenants; aligns housing age restrictions with federal law.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/11/2012)

1 AN ACT clarifying the application of the statutory exemption from
2 local rent control ordinances, amending P.L.1987, c.183.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 1 of P.L.1987, c.153 (C.2A:42-84.1) is amended to
8 read as follows:

9 1. As used in this act:

10 a. "Completion of construction" means issuance of a certificate
11 of occupancy pursuant to section 15 of the "State Uniform
12 Construction Code Act," P.L.1975, c. 217 (C.52:27D-133);

13 b. "Constructed" means constructed, erected or converted but
14 excludes rehabilitation of premises rented previously for residential
15 purposes without an intervening use for other purposes for a period
16 of at least two years prior to conversion. Mere vacancy shall not be
17 considered an intervening use for the purposes of this subsection;

18 c. "Constructed after the effective date of this act" means
19 constructed pursuant to a construction permit issued on or after the
20 effective date of **[this act]** P.L.1987, c.153;

21 d. **["Constructed for senior citizens"** means constructed under a
22 governmental program restricting occupancy of at least 90% of the
23 dwelling units to senior citizens and any members of their
24 immediate households or their occupant surviving spouses, or
25 constructed as a retirement subdivision or retirement community as
26 defined in the "Retirement Community Full Disclosure Act,"
27 P.L.1969, c.215 (C.45:22A-1 et seq.) **]** (deleted by amendment,
28 P.L. , c. (C.) (pending before the Legislature as this bill);

29 e. "Multiple dwelling" means any building or structure and
30 land appurtenant thereto containing four or more dwelling units
31 which are rented or offered for rent, other than a building
32 containing dwelling units **[constructed]** reserved for occupation by
33 senior citizens**[, rented or offered for rent to four or more tenants or**
34 **family units]**;

35 f. "Period of amortization" means the time during which the
36 principal amount of the mortgage loan and interest thereon would
37 be paid entirely through periodic payments, whether or not the term
38 of the mortgage loan is for a shorter period concluding with a
39 balloon payment; and

40 g. "Senior citizens" means persons **[62]** 55 years of age or
41 older.

42 (cf: P.L.1987, c.153, s.1)

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 2. Section 2 of P.L.1987, c.153 (C.2A:42-84.2) is amended to
2 read as follows:

3 2. a. In any municipality which has enacted or which hereafter
4 enacts a rent control or rent leveling ordinance, other than under the
5 authority of P.L.1966, c.168 (C.2A:42-74 et seq.), those provisions
6 of the ordinance which limit the periodic or regular increases in
7 base rentals of dwelling units shall not apply to multiple dwellings
8 constructed after the effective date of P.L.1987, c.153 (C.2A:42-
9 84.1 et seq.), for a period of time not to exceed the period of
10 amortization of any initial mortgage loan obtained for the multiple
11 dwelling, or for 30 years following completion of construction,
12 whichever is less.

13 b. In the event that there is no initial mortgage financing, the
14 period of exemption from a rent control or rent leveling ordinance
15 shall be 30 years from the completion of construction.

16 c. Provisions of rent control and rent leveling ordinances
17 limiting the periodic or regular increases in base rentals of dwelling
18 units shall apply to buildings constructed after the effective date of
19 P.L.1987, c.153 (C.2A:42-84.1 et seq.), which contain four or more
20 dwelling units, which are rented or offered for rent, and which
21 reserve dwelling units for occupation by senior citizens.

22 (cf: P.L.1999, c.291, s.1)

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24 3. This act shall take effect immediately.

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STATEMENT

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29 This bill clarifies that local rent control provisions apply to
30 multiple dwellings that reserve dwelling units for senior citizens
31 and revises the definition of the term “senior citizen” to reduce the
32 minimum age requirement from 62 to 55 years of age. The bill
33 recalls the original intent of the Legislature to exclude senior citizen
34 housing from a law enacted in 1987 which exempted newly
35 constructed rental multiple dwellings from local rent control
36 ordinances, for a limited period of time, in order to encourage the
37 production of new rental housing, and applies that intent to the
38 current time when 55 and older communities are prevalent and
39 explicitly permitted under federal law.

40 While the federal “fair housing act” prohibits discrimination in
41 the sale or rental of housing based on age, the federal law allows an
42 exemption for “housing for older persons” including housing for
43 persons 62 years of age and older and housing intended for persons
44 55 years of age or older.

45 Consistent with the original intent of the Legislature to allow
46 seniors to benefit from local rent control ordinances, the bill aligns
47 the statute with permissible federal age restrictions and clarifies the
48 intent of the statute to provide an exemption from rent control

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- 1 ordinances only for buildings which do not reserve occupancy for
- 2 seniors.