

ASSEMBLY, No. 1480

STATE OF NEW JERSEY 218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Assemblywoman ANNETTE CHAPARRO

District 33 (Hudson)

SYNOPSIS

Allows certain senior citizens to apply for rent increase limit.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

WITHDRAWN



1 AN ACT concerning rent increase limits for certain senior citizens
2 and supplementing chapter 18 of Title 2A of the New Jersey
3 Statutes.

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

7
8 1. This act shall be known and may be cited as the "Senior
9 Citizen Tenant Protection Act."

10
11 2. The Legislature finds and declares that many senior citizens
12 age 55 or older are on fixed incomes comprised principally of small
13 pensions and Social Security income. Senior citizens who live in
14 rental housing are often faced with rent payments that increase
15 faster than their Social Security cost of living adjustments. In
16 addition, senior citizens who have lived in a dwelling for many
17 years are less able than younger tenants to perform the physical
18 exertions necessary for a move and to adapt to a new location
19 involving different stores, doctors, and support groups. Therefore,
20 to protect the health and well-being of senior citizens who have
21 resided as tenants at a location for many years, it is in the public
22 interest, and the public policy of this State, to guarantee those
23 senior citizens affordable rental housing in order to avoid
24 displacement due to rent that increases faster than their income.

25
26 3. As used in this act:

27 "Annual index rate factor" means 1 plus the product of .75
28 multiplied by the difference between the current index minus the
29 index determined for the previous year, for the appropriate
30 Consumer Price Index.

31 "Commissioner" means the Commissioner of Community
32 Affairs.

33 "Consumer Price Index" means the annual average over a 12-
34 month period beginning September 1 and ending August 31 of the
35 Consumer Price Index for Urban Wage Earners and Clerical
36 Workers (CPI-W), All Items Series A, of the United States
37 Department of Labor (1957-1959 = 100), for either the New York,
38 NY-Northeastern New Jersey region or the Philadelphia, PA-New
39 Jersey region, accordingly as either shall have been determined by
40 the commissioner to be applicable in each county within the State.

41 "Protected senior citizen tenant" means a tenant who qualifies
42 and applies for protected senior citizen tenant status pursuant to
43 section 4 of P.L. , c. (C.) (pending before the Legislature as
44 this bill).

45
46 4. A resident of this State shall be eligible to apply for
47 protected senior citizen tenant status with the Department of
48 Community Affairs, so long as the applicant:

49 a. is 55 years old or older;

1 b. is not a holder of federal section 8 vouchers, a participant in
2 the State rental assistance program established pursuant to section 1
3 of P.L.2004, c.140 (C.52:27D-287.1 et seq.), or a participant in
4 another rental assistance program that disqualifies the resident
5 pursuant to rules and regulations adopted by the commissioner;

6 c. has continuously occupied a dwelling unit in the same
7 building or structure, that is not public housing, as his or her
8 principal residence for at least 10 years; and

9 d. has an annual household income of \$80,000 or less during
10 the calendar year prior to the year this act takes effect, or the
11 adjusted income limit set by the commissioner in subsequent years.

12
13 5. a. The commissioner shall notify a landlord, in writing, that
14 a tenant has been approved as a protected senior citizen tenant
15 within 10 days of such approval.

16 b. (1) Following notice as provided in subsection a. of this
17 section, and except as provided in subsection c. of this section, a
18 landlord shall not require a person who has been granted protected
19 senior citizen tenant status to pay any rent increase that exceeds the
20 protected senior citizen tenant's current rent multiplied by the
21 annual index rate factor promulgated by the commissioner that is
22 applicable to the region of residence.

23 (2) If a person who has been granted protected senior citizen
24 tenant status resides in a municipality that has adopted a rent
25 control or rent leveling ordinance, then the landlord may only raise
26 the rent charged on the dwelling unit occupied by that senior citizen
27 by the amount permitted under the ordinance, or by the amount
28 permitted under paragraph (1) of this subsection, whichever amount
29 is less.

30 c. A landlord may file with the commissioner an application
31 for a waiver of the annual index rate factor determined and
32 published under section 6 of P.L. , c. (C.) (pending before
33 the Legislature as this bill). In reviewing a landlord's application
34 for a waiver, the commissioner shall specifically consider whether
35 the rent increase limit provided to a protected senior citizen tenant
36 pursuant to subsection b. of this section would cause an undue
37 hardship to the landlord because of the landlord's financial
38 condition or any other factor relating to the landlord's ownership of
39 the premises. The commissioner shall grant a waiver only if the
40 landlord demonstrates that without the waiver, the landlord would
41 be unable to generate a reasonable investment return, when
42 considering equity, mortgage interest, insurance costs, and the most
43 recent five-year history of maintenance and upkeep expenses for the
44 property. When the commissioner grants a landlord's application
45 for a waiver, the commissioner shall set the rent of the protected
46 senior citizen tenant at an amount that will not cause the landlord
47 undue hardship. A waiver granted by the commissioner shall have
48 no effect with respect to a municipal rent control or rent leveling
49 ordinance.

1 6. a. The commissioner shall annually, on or before October 1,
2 determine and publish an annual index rate factor applicable to each
3 of the regions within the State.

4 b. The commissioner shall approve any application for
5 protected senior citizen tenant status of any person who meets the
6 qualifications established pursuant to section 4 of P.L. , c. (C.)
7 (pending before the Legislature as this bill).

8 c. On or before the first day of the seventh month next
9 following enactment, the commissioner shall, pursuant to the
10 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
11 seq.), promulgate such rules and regulations, and design such forms,
12 as are necessary to effectuate the purposes of this act. The rules
13 and regulations shall establish income limitations for eligibility for
14 protected senior citizen tenant status that are consistent with the
15 income limitations for eligibility under the homestead property tax
16 reimbursement program, P.L.1997, c.348 (C.54:4-8.67 et al.). The
17 rules and regulations shall also establish what rental assistance
18 programs, if any in addition to those listed under subsection b. of
19 section 4 of P.L. , c. (C.) (pending before the Legislature as
20 this bill), shall disqualify a senior from eligibility for protected
21 senior citizen tenant status.

22 d. The commissioner shall annually adjust the income
23 limitations for eligibility for protected senior citizen tenant status to
24 reflect any annual adjustment to the criteria for eligibility under the
25 homestead property tax reimbursement program, P.L.1997, c.348
26 (C.54:4-8.67 et al.).

27 e. The commissioner shall annually adjust the income
28 limitations for eligibility for protected senior citizen tenant status to
29 reflect the maximum Social Security benefit cost of living increase
30 for that year.

31
32 7. A landlord who increases a protected senior citizen tenant's
33 rent in excess of the amount permitted under section 5 of
34 P.L. , c. (C.) (pending before the Legislature as this bill) shall
35 be liable in a summary proceeding before the Superior Court of
36 New Jersey, Special Civil Part, to pay damages to the protected
37 tenant in an amount equal to the greater of \$500 or three times the
38 difference between the rental increase and the allowable rental
39 increase, plus reasonable attorney fees.

40
41 8. This act shall take effect immediately, but shall remain
42 inoperative until the first day of the seventh month next following
43 enactment.

STATEMENT

This bill is intended to assure affordable rental housing for a significant portion of New Jersey's senior citizen population. The bill would permit a tenant to apply to the Commissioner of Community Affairs for protected senior citizen tenant status so long as the tenant:

- is 55 or more years old;
- is not in the federal section 8 voucher program or the State rental assistance program, or a participant in another rental assistance program that disqualifies the resident pursuant to rules and regulations adopted by the commissioner;
- has lived in a dwelling unit in a particular building or structure that is not public housing for at least the previous 10 years as their principal residence; and
- has an annual household income of \$80,000 or less during the calendar year prior to the year the bill takes effect, to be adjusted annually.

The bill provides that the annual income limitation for eligibility for protected senior citizen tenant status will be the same as the income limitation for eligibility under the homestead property tax reimbursement program, P.L.1997, c.348 (C.54:4-8.67 et al.).

A person meeting those requirements would be granted protected senior citizen status and their landlord would be so notified. A landlord would be required to limit any rent increase to the annual index rate factor promulgated by the commissioner for that particular county. The annual index rate factor would be 75% of the increase in the average consumer price index, determined on an annual basis. For each county the commissioner would use the consumer price index applicable either to the New York metropolitan area or the Philadelphia metropolitan area, as appropriate to the location and economic conditions of the county, as determined by the commissioner.

A landlord who increases the rent of a protected senior citizen tenant above the allowable amount would be liable for damages in an amount equal to the greater of \$500 or three times the rent difference, plus reasonable attorney fees in a summary proceeding. A landlord facing undue hardship as a result of a tenant with protected senior citizen tenant status would be entitled to apply to the commissioner for a hardship waiver of the annual index rate factor. The commissioner could then set the rent at a level to ensure that the landlord does not suffer undue hardship. However, a waiver would have no effect on restrictions established by a municipal rent control or rent leveling ordinance.

If a person who has been granted protected senior citizen tenant status resides in a municipality with a rent control or rent leveling ordinance, then this bill only allows the landlord to raise rent on that tenant by the amount permitted under the ordinance, or by the amount permitted by this bill, whichever amount is less.