

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1150

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 18, 2019

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1150 (1R), with committee amendments.

As amended, this bill authorizes flexible multiple dwelling inspection schedules and provide greater flexibility in the enforcement of the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.).

Current law requires the Department of Community Affairs to inspect multiple dwellings at least once every five years. This bill would allow the department to establish less frequent inspection schedules for multiple dwellings in which no violations are found or all violations have been abated by the first reinspection, and more frequent schedules for multiple dwellings in which all violations have not been abated by the third reinspection. For the former category, a multiple dwelling would next be inspected in seven years. For the latter category, a multiple dwelling would next be inspected in two years. Multiple dwellings that fall in between these categories would next be inspected in five years. The department would be able to re-establish the five-year cyclical inspection schedule.

The bill also would require owners of hotels and multiple dwellings to annually file certifications confirming that the information on their certificates of registration is current and accurate. Hotel and multiple dwelling owners also would be newly required to file an amended certificate of registration within 20 days of any change in the information required to be included on their certificates of registration. The department would be authorized to establish reasonable fees for these filings to cover the administrative costs associated with processing the filings.

Lastly, the bill would simplify the process for serving notices, rules, decisions, and orders under the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.). The bill would newly permit service upon owners and occupants by ordinary mail. Notices, rules, decisions, and orders also may newly be served upon owners or their agents by personal service. These items also may be newly served upon occupants by service upon the State Treasurer in certain

circumstances or delivery at the dwelling unit of the occupant with a competent member of the household who is at least 14 years of age.

COMMITTEE AMENDMENTS:

The amendments:

- provide that any increase in the fees the Department of Community Affairs may establish by regulation be consistent with certain limitations in existing law; and
- clarify that if no violations are found for a multiple dwelling at a cyclical inspection, the multiple dwelling would next be inspected in seven years.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill would result in an indeterminate fiscal impact on the Department of Community Affairs (DCA) associated with the tiered inspection schedule for multiple dwellings, the collection of additional fees, and the revised process for serving certain documents under the "Hotel and Multiple Dwelling Law."

Most notably, the bill authorizes the DCA to establish a tiered inspection schedule for multiple dwellings under the "Hotel and Multiple Dwelling Law," in which multiple dwellings would be inspected on a seven-year, five-year, or two-year basis, depending on the rate at which property violations are abated. Because the OLS cannot predict the rate of property violation abatements, the OLS is unable to quantify the anticipated fiscal impact of the tiered inspection system. However, if the tier system is implemented, the DCA could experience increases or decreases in revenues and expenditures depending on the number of multiple dwellings qualifying under each inspection tier. Under current law, the department may update its fees periodically to ensure that revenues offset costs, so gains or losses of revenue may be temporary.

Additionally, the bill could result in an indeterminate increase in DCA revenue associated with additional fee collections. Specifically, the bill requires the owners of hotels and multiple dwellings to (1) annual certify the accuracy of information contained in certificates of registration, and (2) file amended certificates of registration in certain circumstances. Under the bill, the DCA would collect fees to cover the administrative costs associated with each of these filings.

The bill could also result in an indeterminate decrease in DCA expenditures associated with the revised process for serving certain documents. Currently, the DCA is required to first serve notices under the "Hotel and Multiple Dwelling Law" by certified mail. By no longer requiring these documents to be served by certified mail, the bill could decrease certain administrative expenses of the DCA.