

[First Reprint]

ASSEMBLY, No. 4617

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED SEPTEMBER 14, 2020

Sponsored by:

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District 35 (Bergen and Passaic)
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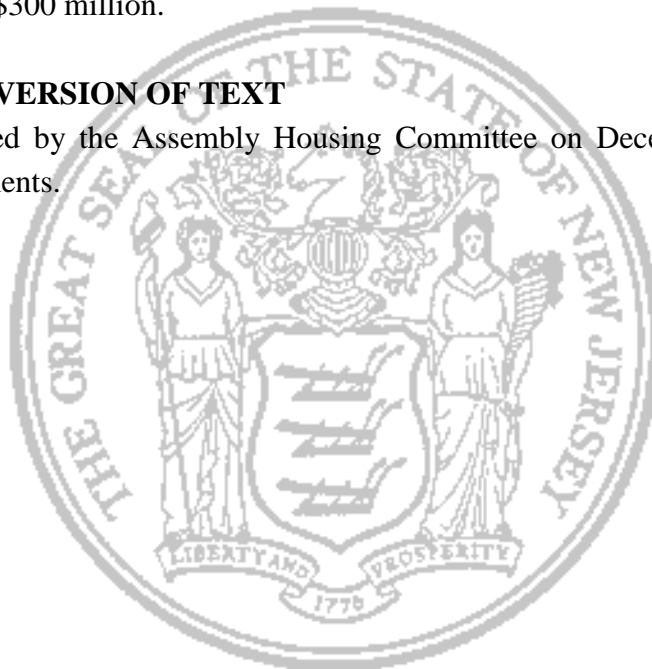
Assemblymen Danielsen, Spearman, Assemblywoman Reynolds-Jackson,
and Assemblyman Clifton

SYNOPSIS

Addresses certain landlord expenses in response to COVID-19 pandemic; appropriates \$300 million.

CURRENT VERSION OF TEXT

As reported by the Assembly Housing Committee on December 7, 2020, with amendments.



(Sponsorship Updated As Of: 12/10/2020)

1 AN ACT addressing certain landlord expenses in response to the
2 COVID-19 pandemic, and making an appropriation.

3

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

6

7 1. The Legislature finds and declares that:

8 a. The COVID-19 pandemic and the measures taken to control
9 it have resulted in widespread unemployment and lost income to
10 large numbers of New Jersey tenants;

11 b. As of June of 2020, New Jersey’s unemployment rate
12 exceeds 16 percent;

13 c. Unemployment and loss of income have rendered many
14 tenants unable to pay rent in whole or in part, placing them at
15 potential risk of eviction following the conclusion of the eviction
16 moratorium adopted through Executive Order No. 106 of 2020;

17 d. Although Executive Order No. 106, and other tenant
18 protections established during the COVID-19 pandemic appear to
19 be preventing many evictions that might otherwise occur, the tenant
20 protections, combined with the underlying economic circumstances
21 of the pandemic, could result in a widespread loss of rental income,
22 placing landlords in a financially-vulnerable situation;

23 e. If not addressed, sustained loss of rental income could lead
24 many landlords to defer repairs, reduce maintenance, and
25 potentially abandon their properties, all of which could adversely-
26 effect landlords, families living in rental properties, as well as many
27 neighborhoods throughout the State; and

28 f. It is, therefore, necessary and in the public interest for the
29 Legislature to prevent evictions as well as property deterioration
30 and abandonment, arising from the temporary loss of tenant and
31 landlord income during the time of the coronavirus pandemic, by
32 enacting legislation to subsidize certain landlord expenses incurred
33 during the time of the COVID-19 pandemic.

34

35 2. As used in this act:

36 “Assistance” means compensation for unpaid rent, provided by
37 the program established pursuant to section 3 of this act.

38 “Assistance period” means the period beginning April 1, 2020
39 and ending ¹**on the first day of the seventh month next following**
40 two months following the end of¹ the public health emergency
41 declared pursuant to Executive Order No. 103 of 2020.

42 “Commissioner” means the Commissioner of Community
43 Affairs.

44 “Department” means the Department of Community Affairs.

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHO committee amendments adopted December 7, 2020.

1 “Household income” means the gross income of a tenant
2 household for calendar year 2019, or for January 1, 2020 through
3 June 30, 2020 multiplied by two, whichever is lower.

4 “Housing costs” means mortgage principal and interest
5 payments, property taxes, homeowner and private mortgage
6 insurance, condominium or common interest community fees, and
7 reasonable maintenance costs, as applicable, paid by a landlord for
8 the landlord’s residential rental units ¹, and anticipated maintenance
9 cost increases, applicable to landlords with tenants who have
10 applied security deposit funds against rent pursuant to Executive
11 Order 128 of 2020¹.

12 “Program” means the Landlord Emergency Compensation
13 Program established by section 3 of this act.

14 “Program application” means an application for assistance
15 through the program.

16

17 3. a. There is established in the Department of Community
18 Affairs the “Landlord Emergency Compensation Program,” to
19 provide assistance to a landlord to compensate for the portions of
20 unpaid rent, due during the assistance period, that the landlord’s
21 residential tenants have owed the landlord, but have not paid, to the
22 extent that this compensation is necessary to allow the landlord to
23 cover the landlord’s housing costs. The program shall not provide
24 assistance to the landlord for:

25 (1) housing costs that, prior to March 9, 2020, the landlord had
26 anticipated covering through funding sources other than rent
27 payments; or

28 (2) housing costs for which the landlord has obtained
29 compensation, or has an outstanding application for compensation,
30 through a different program that, as determined by the
31 commissioner, preempts the landlord from eligibility for assistance
32 payments ¹, including, but not limited to, funding from the Small
33 Landlord Emergency Grant Program established by the New Jersey
34 Housing and Mortgage Finance Agency.

35 b. The commissioner shall limit eligibility for assistance
36 payments to a landlord that:

37 (1) as of March 9, 2020, is in substantial compliance with the
38 requirements of: the “State Uniform Construction Code Act,”
39 P.L.1975, c.217 (C.52:27D-119 et seq.); the “Hotel and Multiple
40 Dwelling Law,” P.L.1967, c.76 (C.55:13A-1 et seq.); and the State
41 housing code, adopted by the Department of Community Affairs
42 pursuant to P.L. 1966, c. 168 (C.2A:42-74 et seq.);

43 (2) as of March 9, 2020, is in substantial compliance with
44 property tax and other tax payment responsibilities; and

45 (3) has no pending criminal charges¹.

46 ¹**[b.] c.**¹ The program shall begin accepting applications as soon
47 as possible following enactment of this act. If a landlord applies for

1 assistance prior to the conclusion of the assistance period, and the
2 landlord's tenants miss one or more rent payments after submission
3 of the program application, then the landlord may apply to the
4 department for one or more additional assistance payments on a
5 quarterly basis through the conclusion of the assistance period. The
6 department may adjust this application schedule as deemed
7 appropriate by the commissioner.

8 **1[c.] d.**¹ The department may prioritize program application
9 approval based on 1the¹ financial need 1of the landlord,¹ as
10 determined appropriate by the commissioner. 1A portion of
11 assistance funding shall be reserved for landlords who own and rent
12 out no more than two housing units.¹

13 **1[d.] e.**¹ The department shall prepare all application forms,
14 application guidelines, and informational materials necessary for
15 landlords to complete an application, and shall post materials on its
16 website at least 30 days prior to the date on which applications shall
17 be accepted.

18
19 4. a. A program application shall state the total amount of rent
20 due from the landlord's residential tenants established in the
21 corresponding leases, the amount paid by the tenants or third
22 parties, if any, the amount unpaid, the landlord's housing costs, 1the
23 amount of security deposit funding that the landlord's tenants have
24 applied against rent pursuant to Executive Order 128 of 2020,¹ and
25 any other information required by the department 1for determining
26 financial need¹.

27 b. An application shall be accompanied by a form completed by
28 the tenant of **1[the] each of the landlord's**¹ rental **1[unit] units for**
29 which the landlord is seeking assistance¹ endorsing the application,
30 which shall include (1) the number of occupants of the unit, (2) a
31 sworn statement of the tenant household's income, and (3) any
32 additional information required by the department.

33 c. If the tenant of a rental unit is unwilling to complete the form
34 required in subsection b. of this section notwithstanding diligent
35 effort by the landlord, the landlord may attach to the application a
36 certification in such form as shall be determined by the department
37 setting forth (1) the landlord's efforts to obtain tenant endorsement;
38 (2) the household income of the tenant, to the best of the landlord's
39 knowledge; (3) the number of occupants in the rental unit, and (4)
40 any additional information required by the department.

41
42 5. a. An assistance payment, once accepted by a landlord, shall
43 be a full settlement of rent due for the landlord's residential tenants
44 1for which the landlord is receiving assistance¹ during the period
45 that is both within the assistance period and prior to submission of
46 the program application. By accepting an assistance payment, the
47 landlord shall also waive any late or other fees charged to

1 residential tenants as a result of the nonpayment of rent during the
2 period that is both within the assistance period and prior to
3 submission of the program application. The acceptance of the
4 assistance payment shall constitute a settlement of these costs even
5 though they may not be fully compensated through the assistance
6 payment.

7 b. ¹Upon the provision of an assistance payment, the
8 commissioner shall notify the landlord's tenants of the protections
9 provided to them as a consequence of the landlord's receipt of
10 assistance.

11 c.¹ A landlord shall not accept a delinquent rent payment from a
12 residential tenant if the rent payment has been covered by an
13 assistance payment.

14 ¹[c.] d.¹ A landlord receiving assistance or awaiting the
15 department's response to a program application, shall not initiate an
16 eviction proceeding, or complete a previously-initiated eviction
17 proceeding, for any unpaid rent balances, or late or other fees, owed
18 by a residential tenant for rent due during the period that is both
19 within the assistance period and prior to submission of the program
20 application.

21 ¹[d.] e.¹ A landlord initiating an eviction action shall provide
22 documentation on a form to be prepared and adopted by the
23 Administrative Director of the Courts that the landlord is not
24 prohibited from initiating the action by any provision of this act.

25

26 ¹6. a. The Department of Community Affairs shall, as soon as
27 practicable following the enactment of this act, prepare and make
28 available, on its Internet website, information for landlords on (1)
29 when assistance applications shall be available, (2) the necessary
30 steps for application submission, (3) how to obtain help in
31 application completion, and (4) other matters related to assistance
32 applications deemed necessary by the commissioner. This
33 information shall be made available in English, Spanish, and any
34 other languages determined necessary by the commissioner.

35 b. The department shall engage in a substantial effort to enhance
36 awareness among the State's landlords of the ability to apply for
37 assistance. Once assistance applications are made available, the
38 department shall provide for the establishment and maintenance of a
39 toll-free telephone hotline available, at a minimum, weekdays
40 between 8:30 a.m. and 5:30 p.m. through which a landlord may ask
41 questions and obtain help in application completion. The
42 department shall maintain the telephone hotline for the entire period
43 that the department continues to accept assistance applications.¹

44

45 ¹[6.] 7.¹ If a landlord has submitted a program application to
46 the department, but has not yet obtained an assistance payment, or a
47 denial of an assistance payment, the landlord may assert an

1 affirmative defense to a foreclosure action initiated against any
2 residential rental property owned by the landlord. This section shall
3 exclusively apply to a landlord whose principal residence is in the
4 State and who, together with immediate family members, partners,
5 or other related entities, owns no more than 50 rental units in the
6 State.

7
8 ¹**[7.]** 8.¹ An intentional misrepresentation by a landlord of any
9 information to obtain an assistance payment shall constitute a crime
10 of the fourth degree ¹in addition to other applicable penalties¹.

11
12 ¹**[8.]** 9.¹ There is appropriated from funds provided to the
13 State by the United States government under the “Coronavirus Aid,
14 Relief, and Economic Security Act,” Pub. Law 116-136, to the
15 Department of Community Affairs the sum of \$300,000,000 for
16 assistance under this program, of which no more than \$1,500,000
17 may be used by the department to defray the administrative costs of
18 the program. If \$300,000,000 is not available through the
19 “Coronavirus Aid, Relief, and Economic Security Act,” Pub. Law
20 116-136, then the remainder of this amount shall be appropriated
21 from other federal funding authorized for coronavirus relief as it
22 becomes available.

23
24 ¹**[9.]** 10.¹ This act shall take effect immediately.