

SENATE, No. 3037

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 19, 2020

Sponsored by:

Senator BRIAN P. STACK

District 33 (Hudson)

Senator TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

Senators O'Scanlon and Turner

SYNOPSIS

Establishes assistance program to assist landlords of one- and two-family dwellings during COVID-19 pandemic; appropriates \$50 million.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/21/2021)

1 AN ACT establishing an assistance program for certain landlords in
2 response to the COVID-19 pandemic and making an
3 appropriation.

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

7
8 1. As used in P.L. , c. (pending before the Legislature as this
9 bill):

10 “Assistance” means compensation for unpaid rent, provided by
11 the program.

12 “Assistance period” means the period beginning April 1, 2020
13 and ending on the first day of the seventh month next following the
14 public health emergency declared pursuant to Executive Order No.
15 103 of 2020.

16 “Commissioner” means the Commissioner of Community
17 Affairs.

18 “COVID-19” means the coronavirus disease 2019, as announced
19 by the World Health Organization on February 11, 2020.

20 “Department” means the Department of Community Affairs.

21 “Household income” means the gross income of an impacted
22 tenant household for calendar year 2019, or for January 1, 2020
23 through June 30, 2020 multiplied by two, whichever is lower.

24 “Housing costs” means mortgage principal and interest
25 payments, property taxes, homeowner and private mortgage
26 insurance, condominium or common interest community fees, and
27 reasonable maintenance costs, as applicable, paid by a landlord for
28 the landlord’s residential rental units.

29 “Impacted tenant” means a residential tenant who has suffered a
30 substantial reduction of income resulting from COVID-19 or the
31 public health emergency declared pursuant to Executive Order No.
32 103 of 2020, including from a reduction in hours or loss of
33 employment, or increased costs incurred in necessary child care
34 resulting from the closure of schools or caring for family members
35 who are ill due to COVID-19 or quarantined due to a suspected
36 exposure to COVID-19, or for funeral costs due to COVID-19.

37 “Landlord” means the owner of a one- or two-unit residential
38 rental property.

39 “Program” means the “One- and Two-Unit Landlord Emergency
40 Assistance Program” established by section 2 of P.L. , c.
41 (pending before the Legislature as this bill).

42 “Program application” means an application for assistance
43 through the program.

44
45 2. a. There is established in the department the “One- and Two-
46 Unit Landlord Emergency Assistance Program” to provide
47 assistance to a landlord of a one- or two-unit residential rental
48 property to compensate for the portions of unpaid rent, due during

1 the assistance period, that any impacted tenant of the landlord owed
2 the landlord, but has not paid, to the extent that this compensation is
3 necessary to allow the landlord to cover the landlord's housing
4 costs.

5 b. The program shall not provide assistance to a landlord for
6 housing costs: (1) that, prior to March 9, 2020, the landlord had
7 anticipated covering through funding sources other than rent
8 payments; or (2) for which the landlord has obtained compensation,
9 or has an outstanding application for compensation, through a
10 different program that, as determined by the commissioner,
11 provides the landlord similar assistance payments.

12 c. A landlord shall not be entitled to assistance through the
13 program if: (1) the rental property is not registered with the
14 municipality in which it is located in accordance with the
15 requirements of section 2 of P.L.1974, c.50 (C.46:8-28); or (2) the
16 landlord is not current on all State and local tax obligations.

17 d. A landlord shall apply for assistance through the program by
18 submitting a program application to the department. The
19 department shall prepare program application forms, application
20 guidelines, and informational materials necessary for landlords to
21 complete a program application, and shall post these materials on
22 the Internet website of the department within 30 days of the
23 effective date of P.L. , c. (pending before the Legislature as this
24 bill).

25 e. If a landlord applies for assistance prior to the conclusion of
26 the assistance period, and an impacted tenant of the landlord misses
27 one or more rent payments after submission of the program
28 application, then the landlord may apply to the department for one
29 or more additional assistance payments on a quarterly basis through
30 the conclusion of the assistance period. The department may adjust
31 this application schedule as deemed appropriate by the
32 commissioner. The department may prioritize program application
33 approval based on the financial need of the landlord, as determined
34 appropriate by the commissioner.

35
36 3. a. A program application shall include: (1) the total amount
37 of rent due from a landlord's impacted tenant established in the
38 corresponding lease; (2) the amount paid by the impacted tenant or
39 a third party, if any; (3) the amount unpaid; (4) the landlord's
40 housing costs; and (5) any other information required by the
41 department.

42 b. A program application shall be accompanied by a form
43 completed by the impacted tenant of each of the landlord's rental
44 units endorsing the application, which shall include: (1) the number
45 of occupants of the unit; (2) a sworn statement of the impacted
46 tenant household's income; and (3) and any additional information
47 required by the department.

S3037 STACK, SINGLETON

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

10

11 4. a. An assistance payment, once accepted by a landlord, shall
12 be a full settlement of rent due for the landlord's impacted tenant
13 during the assistance period. By accepting an assistance payment,
14 the landlord also shall waive any late or other fees charged to the
15 impacted tenant as a result of the nonpayment of rent during the
16 assistance period. The acceptance of the assistance payment shall
17 constitute a settlement of these costs even though the landlord may
18 not be fully compensated through the assistance payment.

19 b. A landlord shall not accept a delinquent rent payment from an
20 impacted tenant if the rent payment has been covered by an
21 assistance payment.

22 c. A landlord receiving assistance or awaiting the department's
23 response to a program application, shall not initiate an eviction
24 proceeding, or complete a previously-initiated eviction proceeding,
25 for any unpaid rent balances, or late or other fees, owed by an
26 impacted tenant for rent due during the assistance period.

27 d. A landlord initiating an eviction action for any unpaid rent
28 balances that were due during the assistance period shall provide
29 documentation, on a form to be prepared and adopted by the
30 Administrative Director of the Courts, demonstrating that the
31 landlord is not prohibited from initiating the action by any provision
32 of P.L. , c. (pending before the Legislature as this bill).

33

34 5. If a landlord has submitted a program application to the
35 department, but has not yet obtained an assistance payment, or a
36 denial of an assistance payment, the landlord may assert an
37 affirmative defense to a foreclosure action initiated against any
38 residential rental property owned by the landlord. This section shall
39 exclusively apply to a landlord whose principal residence is in the
40 State and who, together with immediate family members, partners,
41 or other related entities, owns no more than 50 rental units in the
42 State.

43

44 6. An intentional misrepresentation by a landlord of any
45 information to obtain an assistance payment, or a delinquent rent
46 payment in contravention of subsection b. of section 4, shall
47 constitute a crime of the fourth degree.

1 7. There is appropriated to the department the sum of
2 \$50,000,000 from the General Fund and, to the extent available,
3 funds provided to the State by the federal government under the
4 “Coronavirus Aid, Relief, and Economic Security Act,” Pub. Law
5 116-136, for the provision of assistance under the program. Up to
6 two percent of the amount appropriated by this section may be used
7 by the department to defray the administrative costs of the program.

8
9 8. This act shall take effect immediately.

10
11
12 STATEMENT

13
14 This bill would establish the “One- and Two-Unit Landlord
15 Emergency Assistance Program.” The program would be
16 established in the Department of Community Affairs (DCA). Under
17 the program, landlords of one- and two-family residential rental
18 properties could apply for assistance to cover their housing costs
19 during an “assistance period.” The assistance period is defined in
20 the bill as the period beginning April 1, 2020 and ending on the first
21 day of the seventh month following the end of the public health
22 emergency declared in Executive Order No. 103 in response to the
23 COVID-19 pandemic.

24 The bill authorizes a landlord to apply for assistance payments to
25 compensate for the portions of unpaid rent, due during the
26 assistance period, that any “impacted tenant” has owed, but not
27 paid. The bill defines an “impacted tenant” as a residential tenant
28 who has suffered a substantial reduction of income resulting from
29 COVID-19 or the public health emergency declared pursuant to
30 Executive Order No. 103 of 2020. The program would only provide
31 assistance payments to a landlord to the extent that this
32 compensation is necessary to allow the landlord to cover the
33 housing costs of the landlord’s residential rental units when
34 combined with the rental payments that the landlord has received.

35 The program would not provide assistance to a landlord for
36 housing costs: (1) that, prior to March 9, 2020, the landlord had
37 anticipated covering through funding sources other than rent
38 payments; or (2) for which the landlord has obtained compensation,
39 or has an outstanding application for compensation, through a
40 different program that, as determined by the commissioner,
41 provides the landlord similar assistance payments.. A landlord
42 would not be eligible for assistance through the program if: (1) the
43 rental property is not registered with the municipality in which it is
44 located in accordance with the requirements of section 2 of
45 P.L.1974, c.50 (C.46:8-28); or (2) the landlord is not current on all
46 State and local tax obligations.

47 DCA would be required to prepare program application forms,
48 application guidelines, and informational materials necessary for

1 landlords to complete a program application, and to post these
2 materials on its Internet website within 30 days of the bill's
3 effective date. DCA would be permitted to prioritize program
4 application approval based on the financial need of the landlord.

5 The bill requires that an assistance payment, once accepted by a
6 landlord, would be a full settlement of rent due for the landlord's
7 impacted tenants. By accepting an assistance payment, a landlord
8 also would be required to waive any late or other fees charged to
9 the impacted tenant as a result of the nonpayment of rent during the
10 assistance period. A landlord would be prohibited from accepting a
11 delinquent rent payment from an impacted tenant if the rent
12 payment has been covered by an assistance payment. In addition, a
13 landlord receiving assistance or awaiting DCA's response to a
14 program application, would be prohibited from initiating an eviction
15 proceeding, or completing a previously-initiated eviction
16 proceeding, for any unpaid rent balances, or late or other fees, owed
17 by an impacted tenant for rent due during the assistance period. A
18 landlord initiating an eviction action for any unpaid rent balances
19 that were due during the assistance period would have to provide
20 documentation showing that the landlord is not prohibited from
21 initiating the action by any provision of the bill.

22 Under the bill, if a landlord has submitted a program application,
23 but has not yet obtained an assistance payment, or a denial of
24 assistance, the landlord would be authorized to assert an affirmative
25 defense to a foreclosure action initiated against any residential
26 rental property owned by the landlord. This protection, however,
27 would exclusively apply to a landlord whose principal residence is
28 in the State and who, together with immediate family members,
29 partners, or other related entities, owns no more than 50 rental units
30 in the State.

31 An intentional misrepresentation by a landlord of any
32 information to obtain an assistance payment, or a delinquent rent
33 payment following receipt of an assistance payment, would
34 constitute a crime of the fourth degree under the bill. A crime of
35 the fourth degree is ordinarily punishable by a term of
36 imprisonment of up to 18 months or a fine of up to \$10,000, or
37 both.

38 Lastly, the bill appropriates to DCA \$50,000,000 from the
39 General Fund and, to the extent available, funds provided to the
40 State by the federal government under the "Coronavirus Aid, Relief,
41 and Economic Security Act," for the provision of assistance under
42 the program. Up to two percent of that amount may be used by
43 DCA to defray the administrative costs of the program.