

SENATE HEALTH, HUMAN SERVICES AND SENIOR CITIZENS COMMITTEE

STATEMENT TO

SENATE, No. 4191

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2021

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 4191.

As amended by the committee, this bill prohibits landlords from initiating adverse possessory actions against an operator of a hospital, or a successor to the operator, without first obtaining written approval for the action from the Department of Health (DOH). An adverse possessory action initiated without the written approval of the DOH will be deemed invalid. The DOH is to establish a process for landlords to submit requests to initiate adverse possessory actions, and will have the authority to approve requests upon finding that just cause exists for the adverse possessory action.

A landlord that initiates an adverse possessory action against an operator or successor without written approval by the DOH will be liable to a civil penalty of up to \$1,000,000. The DOH will also suspend or revoke any license or permit granted by the DOH to the landlord due to violation of the act. To the extent an adverse possessory action taken without DOH approval results in the loss of revenue to a hospital, the operator or successor, as applicable, will be entitled to financial recovery from the landlord to the extent necessary to place the hospital in as good a position as if such adverse possessory action had not occurred, as determined by court-appointed arbitration. A landlord that willfully violates the provisions of the bill in a manner that results in the closure of a hospital or that interferes with the transition of the maintenance, supervision, or operation of a hospital from an operator to a successor as approved by the DOH will be subject to criminal penalties imposed for disorderly persons offenses.

As amended, the bill will take effect 30 days after the date of enactment.

COMMITTEE AMENDMENTS:

The committee amendments add a rulemaking section to the bill.

The committee amendments remove a provision making the bill applicable retroactively.