

ASSEMBLY, No. 133

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman JONES

1 AN ACT concerning certain limited-dividend nonprofit housing
2 corporations and associations, and supplementing P.L.1974, c.49
3 (C.2A:18-61.1 et al.).
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5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. For the purposes of P.L.1974, c.49 (C.2A:18-61.1 et al.) the
9 term "landlord" shall be deemed to include any limited dividend or
10 non-profit urban renewal entity organized in the form of a cooperative
11 under the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or prior
12 legislation; the term "lease" shall be deemed to include any occupancy
13 agreement under which a member or stockholder in any such
14 cooperative is entitled to the right to occupancy of a particular
15 residential unit under the management of that cooperative; the term
16 "tenant" shall be deemed to include any such member or stockholder;
17 and the term "rent" shall be deemed to include the carrying charges
18 assessed by the cooperative under the occupancy agreement.
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20 2. This act shall take effect immediately.
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23 STATEMENT
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25 This bill would define the carrying charges paid by occupants of
26 dwelling units in nonprofit cooperatives as "rent" for the purposes of
27 enabling the cooperative association to obtain summary judgment in
28 eviction proceedings against those members of the cooperative who
29 fail to make the payments upon which the association depends to
30 maintain the cooperative. Because of the legal status of each member
31 of a cooperative as part "owner" of the entire complex, the courts have
32 held that associations cannot use the summary eviction process
33 available against tenants. This would require an association to engage
34 in an elaborate and expensive legal action. Nonprofit cooperatives
35 organized for the benefit of lower-income families can not afford either

1 to mount such an action, or to bear the extra burden that falls on every
2 other member when units are occupied by non-paying members.

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7 Defines members of certain cooperatives organized as "tenants" under
8 law governing eviction procedures.