

ASSEMBLY, No. 332

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen PASCRELL and GARCIA

1 AN ACT concerning rent control for certain senior citizens and
2 supplementing chapter 18 of Title 2A of the New Jersey Statutes.

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

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7 1. This act shall be known and may be cited as the "Senior Tenant
8 Protection Act."

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10 2. The Legislature finds and declares that many senior citizens age
11 62 or older are on fixed incomes comprised principally of small
12 pensions and social security income. Senior citizens that live in rental
13 housing are often faced with rent payments that increase faster than
14 their social security cost of living adjustments. In addition, senior
15 citizens who have lived in a certain dwelling for many years are less
16 able than younger tenants to adapt to a new location involving
17 different stores, doctors and support groups. Therefore, to protect the
18 health and well-being of senior citizens who have resided as tenants at
19 a certain location for many years it is in the public interest to
20 guarantee those senior citizens affordable rental housing at their
21 current locations in order to avoid displacement due to rents that
22 increase faster than their income.

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24 3. As used in this act:

25 "Annual index rate factor" means 1 plus the product of .0075
26 multiplied by the difference between the current index minus the index
27 determined for the previous year, for the appropriate Consumer Price
28 Index.

29 "Consumer Price Index" means the annual average over a 12-month
30 period beginning September 1 and ending August 31 of the Consumer
31 Price Index for Urban Wage Earners and Clerical Workers (CPI-W),
32 All Items Series A, of the United States Department of Labor
33 (1957-1959 = 100), for either the New York, NY-Northeastern New
34 Jersey region or the Philadelphia, PA-New Jersey region, accordingly

1 as either shall have been determined by the commissioner to be
2 applicable in each county within the State.

3 "Protected senior citizen tenant" means a tenant, of age 62 or more
4 years, who is a resident of the State and who has continued to occupy
5 a dwelling unit in the same building or structure, that is not public
6 housing, as his or her principal residence for at least 10 years. The
7 surviving spouse of a protected senior citizen tenant who is at least 55
8 years of age or older at the time of the protected senior citizen tenant's
9 death may also be considered a protected senior citizen tenant for the
10 purposes of this act.

11 "Commissioner" means the Commissioner of Community Affairs.
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13 4. Any resident of this State, who is age 62 or more years and who
14 has continued to occupy a dwelling unit in the same building or
15 structure, that is not public housing, as his or her principal residence
16 for at least 10 years shall be eligible to apply for protected senior
17 citizen tenant status with the Department of Community Affairs. The
18 surviving spouse of a protected senior citizen tenant who is at least 55
19 years of age or older at the time of the protected senior citizen tenant's
20 death may also apply for protected senior citizen tenant status.
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22 5. a. The commissioner shall notify a landlord, in writing, that a
23 tenant has been approved as a protected senior citizen tenant within
24 ten days of such approval.

25 b. Following notice as provided in subsection a. of this section, and
26 except as provided in subsection c. of this section, a landlord shall not
27 require a person who has been granted protected senior citizen tenant
28 status to pay any rent increase that exceeds the protected senior citizen
29 tenant's current rent multiplied by the annual index rate factor
30 promulgated by the commissioner that is applicable to the region of
31 residence. This provision shall supersede any municipal rent control
32 ordinance to the contrary.

33 c. A landlord may file with the commissioner an application for a
34 waiver of the annual index rate factor promulgated under section 6 of
35 this act. In reviewing a landlord's application for a waiver, the
36 commissioner shall specifically consider whether the rent increase limit
37 provided to a protected senior citizen tenant pursuant to subsection b.
38 of this section would cause an undue hardship to the landlord because
39 of the landlord's financial condition or any other factor relating to the
40 landlord's ownership of the premises. When the commissioner grants
41 a landlord's application for a waiver, the commissioner shall set rent
42 of the protected senior citizen tenant at an amount that will not cause
43 the landlord undue hardship.
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45 6. a. The commissioner shall annually, on or before October 1,
46 promulgate an annual index rate factor applicable to each of the

1 regions within the State.

2 b. The commissioner shall approve any application for protected
3 senior citizen tenancy status of any person that meets the qualifications
4 established pursuant to section 3 of P.L. , c. (C.) (now
5 pending before the Legislature as this bill).

6 c. The commissioner shall, pursuant to the "Administrative
7 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate
8 such rules and regulations, and design such forms, as are necessary to
9 effectuate the purposes of this act.

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11 7. A landlord who increases a protected senior citizen tenant's rent
12 in excess of the amount permitted under section 5 of this act shall be
13 liable in a summary proceeding before the Superior Court of New
14 Jersey, Special Civil Part, to pay damages to the protected tenant in an
15 amount equal to the greater of \$500 or three times the difference
16 between the rental increase and the allowable rental increase, plus
17 reasonable attorney fees.

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19 8. This act shall take effect immediately.

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22 STATEMENT

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24 This bill is intended to assure affordable rental housing for a
25 significant portion of New Jersey's senior citizen population. The bill
26 would permit senior citizens, of 62 or more years, who have lived in
27 a dwelling unit in a particular building or structure that is not public
28 housing for at least the previous 10 years as their principal residence,
29 to apply to the Commissioner of Community Affairs for protected
30 senior citizen tenant status. A person meeting those requirements
31 would be granted protected senior citizen status and their landlord
32 would be so notified. A landlord would be required to limit any rent
33 increase to the annual index rate factor promulgated by the
34 commissioner for that particular county. The annual index rate factor
35 would be 75% of the increase in the average consumer price index,
36 determined on an annual basis. For each county the commissioner
37 would use the consumer price index applicable either to the New York
38 metropolitan area or the Philadelphia metropolitan area, as appropriate
39 to the location and economic conditions of the county, as determined
40 by the commissioner.

41 A landlord who increases the rent of a protected senior citizen
42 tenant above the allowable amount would be liable for damages in an
43 amount equal to the greater of \$500 or three times the rent difference,
44 plus reasonable attorney fees in a summary proceeding. A landlord
45 facing undue hardship as a result of a tenant with protected senior
46 citizen tenant status would be entitled to apply to the commissioner for

1 a hardship waiver of the annual index rate factor. The commissioner
2 could then set the rent at a level to ensure that the landlord does not
3 suffer undue hardship.

4 The provisions of this bill would supersede any municipal rent
5 control ordinance to the contrary.

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10 Limits rent increases for certain senior citizens.