

ASSEMBLY, No. 425

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman KELLY

1 AN ACT concerning rental housing and amending P.L.1987, c.153.

2

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

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6 1. Section 1 of P.L.1987, c.153 (C.2A:42-84.1) is amended to read
7 as follows:

8 1. As used in this act:

9 a. "Completion of construction" means issuance of a certificate of
10 occupancy pursuant to section 15 of the "State Uniform Construction
11 Code Act," P.L.1975, c.217 (C.52:27D-133)[;].

12 b. "Constructed" means constructed, erected or converted but
13 excludes rehabilitation of premises rented previously for residential
14 purposes without an intervening use for other purposes for a period of
15 at least two years prior to conversion. Mere vacancy shall not be
16 considered an intervening use for the purposes of this subsection[;].
17 As applied to a mobile home park, the term comprises all construction,
18 site preparation and installation of equipment involved in preparing
19 land not previously used for a mobile home park to be employed in
20 that manner.

21 c. "Constructed after the effective date of this act" means
22 constructed pursuant to a construction permit issued on or after [the
23 effective date of this act;]June 25, 1987.

24 d. "Constructed for senior citizens" means constructed under a
25 governmental program restricting occupancy of at least 90% of the
26 dwelling units to senior citizens and any members of their immediate
27 households or their occupant surviving spouses, or constructed as a
28 retirement subdivision or retirement community as defined in the
29 "Retirement Community Full Disclosure Act," P.L.1969, c.215
30 (C.45:22A-1 et seq.)[;].

31 e. "Multiple dwelling" means any building or structure and land
32 appurtenant thereto containing four or more dwelling units, other than

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 dwelling units constructed for occupation by senior citizens, rented or
2 offered for rent to four or more tenants or family units[;].

3 f. "Period of amortization" means the time during which the
4 principal amount of the mortgage loan and interest thereon would be
5 paid entirely through periodic payments, whether or not the term of
6 the mortgage loan is for a shorter period concluding with a balloon
7 payment[; and].

8 g. "Senior citizens" means persons 62 years of age or older.

9 h. "Mobile home park" means a mobile home park as defined in
10 section 3 of "The Affordable Housing Act of 1983," P.L.1983, c.386
11 (C.40:55D-102).

12 (cf: P.L.1987, c.153, s.1)

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14 2. Section 2 of P.L.1987, c.153 (C.2A:42-84.2) is amended to read
15 as follows:

16 2. In any municipality which has enacted or which hereafter enacts
17 a rent control or rent leveling ordinance, other than under the
18 authority of P.L.1966, c.168 (C.2A:42-74 et seq.), those provisions of
19 the ordinance which limit the periodic or regular increases in base
20 rentals of dwelling units shall not apply to multiple dwellings
21 constructed after the effective date of [this act,] P.L.1987, c.153 or to
22 mobile home parks constructed after the effective date of P.L. , c.
23 (now pending in the Legislature as this bill), for a period of time not
24 to exceed the period of amortization of any initial mortgage loan
25 obtained for the multiple dwelling or mobile home park, or for 30
26 years following completion of construction, whichever is less.

27 (cf: P.L.1987, c.153, s.2)

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29 3. Section 3 of P.L.1987, c.153 (C.2A:42-84.3) is amended to read
30 as follows:

31 3. The owner of any multiple dwelling or mobile home park
32 exempted from a rent control or rent leveling ordinance pursuant to
33 this act, shall, prior to entering into any lease with a person for
34 tenancy of any premises located in the multiple dwelling or for any
35 home site in the mobile home park, furnish the prospective tenant with
36 a written statement that the multiple dwelling [in which the premises
37 is located] unit or mobile home site that is the subject of the lease is
38 exempt from rent control or rent leveling for such time as may remain
39 in the exemption period. Each lease offered to a prospective tenant
40 for any dwelling unit or mobile home site therein during the period the
41 multiple dwelling or mobile home park is so exempted shall contain a
42 provision notifying the tenant of the exemption.

43 (cf: P.L.1987, c.153, s.3)

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45 4. Section 4 of P.L.1987, c.153 (C.2A:42-84.4) is amended to read
46 as follows:

1 4. The owner of any multiple dwelling or mobile home park
2 claiming an exemption from a rent control or rent leveling ordinance
3 pursuant to this act shall file with the municipal construction official,
4 at least 30 days prior to the issuance of a certificate of occupancy for
5 the newly constructed multiple dwelling or mobile home park, a
6 written statement of the owner's claim of exemption from an ordinance
7 under this act, including therein a statement of the date upon which the
8 exemption period so claimed shall commence, such information as may
9 be necessary to effectively locate and identify the multiple dwelling or
10 mobile home park for which the exemption is claimed, and a statement
11 of the number of rental dwelling units [in the multiple dwelling] or
12 mobile home sites therein for which the exemption is claimed. The
13 owner shall, at least 30 days prior to the date of the termination of the
14 exemption period afforded pursuant to this act, file with the municipal
15 construction official a notice of the date of termination of the
16 exemption period for the affected multiple dwelling or mobile home
17 park.

18 (cf: P.L.1987, c.153, s.4)

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20 5. Section 5 of P.L.1987, c.153 (C.2A:42-84.5) is amended to read
21 as follows:

22 5. It is the intent of this act, that the exemption from rent control
23 or rent leveling ordinances afforded under this act shall apply to any
24 form of rent control, rent leveling or rent stabilization, whether
25 adopted now or in the future, and by whatever name or title adopted,
26 which would limit in any manner the periodic or regular increases in
27 base rentals of dwelling units of multiple dwellings constructed after
28 the effective date of this act or of mobile home parks constructed after
29 the effective date of P.L. _____, c. _____ (C. _____) (now pending in the
30 Legislature as this bill). No municipality, county or other political
31 subdivision of the State, or agency or instrumentality thereof, shall
32 adopt any ordinance, resolution, or rule or regulation, or take any
33 other action, to limit, diminish, alter or impair any exemption afforded
34 pursuant to this act.

35 (cf: P.L.1987, c.153 s.5)

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37 6. Section 6 of P.L.1987, c.153 (C.2A:42-84.6) is amended to read
38 as follows:

39 6. It is the intent of this act to establish an experimental program
40 whereby the construction of multiple dwellings and mobile home parks
41 in this State shall be encouraged, and the marketability of those
42 multiple dwellings and mobile home parks shall be maintained, to the
43 greatest extent economically possible, through the exemption by law
44 of newly constructed multiple dwellings and mobile home parks from
45 rent control, rent leveling and rent stabilization ordinances. The
46 Legislature, therefore, declares it to be public policy of this State that,

1 within the limitations imposed by this act, the exemptions granted
2 under this act shall not be limited, diminished, altered, or impaired
3 during the period of exemption afforded, in order to maintain in this
4 respect a predictable environment within which the financing,
5 construction and marketing of new multiple dwellings and mobile
6 home parks can occur, and to permit the Legislature to evaluate the
7 results of the experimental program after a specified period of time
8 during which the program shall have been given a fair opportunity for
9 success, and during which the coherence of the statutory scheme
10 establishing the program has been preserved.

11 (cf: P.L.1987, c.153, s.6)

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13 7. Section 7 of P.L.1987, c.153 is amended to read as follows:

14 7. This act shall take effect immediately, and shall expire ten years
15 following enactment, but the expiration of this act shall not affect any
16 multiple dwelling or mobile home park for which an exemption from
17 a rent control or rent leveling ordinance was afforded prior to the
18 expiration date, but the period of exemption so afforded shall continue
19 for the full period afforded under this act.

20 (cf: P.L.1992, c.206, s.1)

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22 8. This act shall take effect immediately.

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STATEMENT

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27 P.L.1987, c.153 (C.2A:42-84.1 et seq.) instituted an "experimental
28 program" to encourage greater production of rental housing by
29 exempting newly constructed multiple dwellings from local rent
30 controls. The program was intended to run for five years, and to
31 expire on June 25, 1992, but was extended for another five years by
32 P.L.1992, c.206. This bill would extend the exemption in regard to
33 rental fees of newly established mobile home parks in which home sites
34 are leased to 10 or more tenants.

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39 Extends rent control exemption under P.L.1987, c.153 to mobile home
40 parks.