

[First Reprint]
SENATE, No. 271

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Senator CARDINALE

1 AN ACT concerning the rental of certain condominium ¹[and
2 cooperative]¹ units and supplementing chapter 8 of Title 46 of the
3 Revised Statutes.

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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. a. The Legislature finds and declares that it is in the public
9 interest of the citizens of this State that the availability of rental
10 housing be encouraged. Therefore restrictions imposed by certain
11 condominium association bylaws ¹[or cooperative agreements]¹ which
12 unreasonably inhibit or prevent the owner of a condominium unit ¹[or
13 the holder of a proprietary lease to a cooperative unit]¹ from making
14 the unit available for rental shall be contrary to the public policy of the
15 State of New Jersey and shall be unenforceable.

16 b. Subsection a. of this act shall not apply to: (1) any condominium
17 ¹[or cooperative]¹ in which requirements limiting occupancy to unit
18 owners ¹[or holders of proprietary leases to units]¹ were established
19 at the time that the condominium ¹[or cooperative]¹ was created, and
20 which requirements were emphasized in the offering document as an
21 absolute condition of ownership, and have been consistently and
22 strictly enforced since that time, or (2) any unit subject to resale
23 controls or repurchase requirements intended to preserve affordability
24 of the unit to persons of low and moderate income, as defined in the
25 "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et seq.).

26 c. Notwithstanding any provision of law to the contrary, in those
27 condominiums ¹[and cooperatives]¹ which meet the criteria of either
28 paragraph 1 or 2 of subsection b. and in which more than ten units are
29 under one roof, when a unit is offered for sale at or below a sales price
30 such that a sale will result in a return of any investment only, and the
31 unit nevertheless remains unsold for four or more months, then the

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate floor amendments adopted March 18, 1996.

1 owner shall have the right to rent the unit for such a period of time
2 until prevailing market conditions permit a sale which will allow
3 recoupment of the investment in the unit. For the purposes of this
4 subsection, investment shall include the purchase price, costs related
5 to the acquisition of the property, and the costs of any improvements
6 made to the property.

7 Nothing in this subsection shall prohibit an association from
8 requiring a minimum term of leasehold of not less than 180 days, nor
9 shall such associations be prohibited from requiring that all tenants
10 comply with the properly adopted rules of the association which are
11 applicable to other unit owners, including, but not limited to, rules
12 relating to such matters as parking, pets, noise, and the number of
13 permitted occupants per unit.

14 Nothing in this subsection shall grant a tenant any additional rights
15 or protected status under the laws applicable to eviction from rental
16 premises.

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18 2. This act shall take effect immediately.

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23 Prohibits bylaws of certain condominium associations from containing
24 clauses unreasonably prohibiting rental.