

[Second 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 ²[condominium] cooperative²
2 ¹[and cooperative]¹ units and supplementing chapter 8 of Title 46
3 of the Revised Statutes.

4
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 ²[condominium association bylaws] cooperative agreements² ¹[or
12 cooperative agreements]¹ which unreasonably inhibit or prevent ²[the
13 owner of a condominium unit] the holder of a proprietary lease to a
14 cooperative unit² ¹[or the holder of a proprietary lease to a
15 cooperative unit]¹ from making the unit available for rental shall be
16 contrary to the public policy of the State of New Jersey and shall be
17 unenforceable.

18 b. Subsection a. of this act shall not apply to: (1) any
19 ²[condominium] cooperative² ¹[or cooperative]¹ in which requirements
20 limiting occupancy to ²[unit owners] holders of proprietary leases to
21 units² ¹[or holders of proprietary leases to units]¹ were established at
22 the time that the ²[condominium] cooperative² ¹[or cooperative]¹ was
23 created, and which requirements were emphasized in the offering
24 document as an absolute condition of ownership, and have been
25 consistently and strictly enforced since that time, or (2) any unit
26 subject to resale controls or repurchase requirements intended to
27 preserve affordability of the unit to persons of low and moderate
28 income, as defined in the "Fair Housing Act," P.L.1985, c.222
29 (C.52:27D-301 et seq.).

30 c. Notwithstanding any provision of law to the contrary, in those
31 ²[condominiums] cooperatives² ¹[and cooperatives]¹ which meet 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.

² Senate floor amendments adopted May 16, 1996.

1 criteria of either paragraph 1 or 2 of subsection b. and in which more
2 than ten units are under one roof, when a unit is offered for sale at or
3 below a sales price such that a sale will result in a return of any
4 investment only, and the unit nevertheless remains unsold for four or
5 more months, then the owner shall have the right to rent the unit for
6 such a period of time until prevailing market conditions permit a sale
7 which will allow recoupment of the investment in the unit. For the
8 purposes of this subsection, investment shall include the purchase
9 price, costs related to the acquisition of the property, and the costs of
10 any improvements made to the property.

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

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

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22 2. This act shall take effect immediately.

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27 Prohibits bylaws of certain cooperative associations from containing
28 clauses unreasonably prohibiting rental.