

SENATE, No. 2325

STATE OF NEW JERSEY

INTRODUCED DECEMBER 11, 1997

By Senator CASEY

1 AN ACT concerning notification to mortgage holders and insurance  
2 companies of violations involving hotels and multiple dwellings  
3 and amending P.L.1967, c.76 and P.L.1975, c.191.

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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. Section 12 of P.L.1967, c.76 (C.55:13A-12) is amended to read  
9 as follows:

10 12. (a) The owner of each hotel, or of each multiple dwelling  
11 occupied or intended to be occupied by three or more persons living  
12 independently of each other, shall file with the commissioner, upon  
13 forms provided by the commissioner, a certificate of registration.  
14 Each such certificate of registration shall be accompanied by a fee of  
15 \$10.00 and shall include such information as the commissioner shall  
16 prescribe to enforce the provisions of this law [; provided, however,  
17 that in] , including the name and address of the insurance company  
18 insuring the property if such property is insured, and the insurance  
19 policy number. The owner of each such property shall notify the  
20 commissioner of any change in insurance information within five  
21 business days of such a change. In the case of a multiple dwelling, the  
22 information required shall be at least that required pursuant to section  
23 2 of P.L.1974, c. 50 (C. 46:8-28). Upon the receipt of said certificate  
24 of registration and fee, the commissioner shall forthwith validate and  
25 issue to the owner of such hotel or multiple dwelling a validated copy  
26 of the certificate of registration, which validated copy shall be kept  
27 posted by the owner of such hotel or multiple dwelling at all times in  
28 the lobby or other conspicuous place on the premises. The posted  
29 certificate shall be reasonably protected from removal, alteration,  
30 defacement or damage by the elements in such manner as the  
31 commissioner may prescribe.

32 (b) The owner of each hotel, or of each multiple dwelling occupied  
33 or intended to be occupied by three or more persons living  
34 independently of each other shall appoint an agent for the purpose of

**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 receiving service of process and such orders or notices as may be  
2 issued by the commissioner pursuant to this act. Each such agent so  
3 appointed shall be a resident of the county in which the hotel or  
4 multiple dwelling is located or shall have an office in the county. If the  
5 agent is a corporation, it shall be licensed to do business in this State.

6 (c) In the case of any transfer of the ownership in any hotel, or of  
7 any multiple dwelling occupied or intended to be occupied by three or  
8 more persons living independently of each other, whether by sale,  
9 assignment, gift, intestate succession, testate devolution,  
10 reorganization, receivership, foreclosure or execution process, it shall  
11 be the duty of the new owner thereof to file with the commissioner,  
12 within 20 days of said transfer, a certificate of registration pursuant  
13 to subsection (a) of this section, and to appoint an agent for the  
14 service of process pursuant to subsection (b) of this section.

15 (d) In any case whether the owner of a hotel or multiple dwelling  
16 subject to the provisions of this act has not fulfilled the requirements  
17 of this section, the commissioner shall notify the owner of the  
18 violation of this section and order that registration be accomplished  
19 within 30 days. The notice and order shall include an accurate  
20 restatement of the subsection with which the owner has not complied.  
21 If the owner has not complied with the order of the commissioner  
22 within 30 days, he shall be liable for a penalty of \$200.00 for each  
23 registration which the commissioner shall have ordered. The  
24 commissioner may issue a certificate to the clerk of the superior court  
25 that an owner is indebted for the payment of such penalty and  
26 thereupon the clerk shall immediately enter upon his record of  
27 docketed judgments the name of such owner, and of the State, a  
28 designation of the statute under which the penalty is imposed, the  
29 amount of the penalty so certified and the date such certification was  
30 made. The making of the entry shall have the same force and effect as  
31 the entry of the docketed judgment in the office of such clerk, and the  
32 commissioner shall have all of the remedies and maintain all of the  
33 proceedings for the collection thereof which may be had or taken  
34 upon the recovery of a judgment in a civil action, but without  
35 prejudice to the owner's right of appeal.

36 (cf: P.L.1981, c.442, s.6)

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38 2. Section 2 of P.L.1975, c.191 (C.55:13A-20.2) is amended to  
39 read as follows:

40 2. Whenever [the Attorney General files an action in the Superior  
41 Court, on behalf of the Commissioner of Community Affairs, pursuant  
42 to section 6 (C. 55:13A-6) of the "Hotel and Multiple Dwelling Law"  
43 P.L.1967, c. 76 or the Penalty Enforcement Law (N.J.S. 2A:58-1 et  
44 seq.) following the failure of] an owner of a building subject to the  
45 Hotel and Multiple Dwelling Law fails to abate violations of the  
46 regulations promulgated pursuant to [the] that law [after receipt of

1 notices and orders to terminate violations as required by the law or the  
2 failure of the owner to pay a civil penalty assessed pursuant to the  
3 laws after receipt of notice and order to pay penalty] within the time  
4 frame allowed by the department or the local inspecting agency, as  
5 appropriate, and a subsequent notice of violation is issued to the  
6 property owner, the Commissioner of Community Affairs, or the  
7 local inspecting agency, as appropriate, shall cause to be forwarded,  
8 by regular first class mail, to any mortgage holder of record and to  
9 any insurance company of record a notice of [filing of the action and  
10 copies of any notices and orders which provide the cause for said  
11 action] the violation and any additional violations issued on the  
12 property. The mortgage holder of record shall be any holder of record  
13 as filed with the municipal clerk pursuant to P.L.1974, c. 50 (C.  
14 46:8-27 et seq.). The insurance company of record shall be the  
15 insurance company listed on the certificate of registration filed with  
16 the commissioner pursuant to the requirements of section 12 of  
17 P.L.1967, c. 76 (C.55:13A-12).  
18 (cf: P.L.1975, c.191, s.2)

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20 3. This act shall take effect immediately.

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## 24 STATEMENT

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26 This bill requires that the owner of a dwelling subject to the  
27 provisions of the "Hotel and Multiple Dwelling Law," P.L.1967, c.76  
28 (C.55:13A-1 et seq.), at the time the certificate of registration  
29 required by that law is filed, must provide to the Commissioner of  
30 Community Affairs the name and address of the insurance company  
31 insuring the property if the property is insured, and the insurance  
32 policy number. The owner must also, within five business days of any  
33 change in insurance information, report the change to the  
34 commissioner.

35 The bill also provides that whenever the owner of a building subject  
36 to the "Hotel and Multiple Dwelling Law" fails to abate violations of  
37 that law within the time frame allowed by the Department of  
38 Community Affairs or the local inspecting agency, and a subsequent  
39 notice of violation is issued to the property owner, the Commissioner  
40 or the local inspecting agency, as appropriate, must mail a notice of  
41 the violation and any additional violations issued on the property to  
42 both the mortgage holder and the insurance company of the property.

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45 Requires notification to mortgage holder and insurance company of  
46 violations under "Hotel and Multiple Dwelling Law."