

[First Reprint]

SENATE, No. 422

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

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District 33 (Hudson)

SYNOPSIS

Establishes standards for expiration of rental housing affordability controls.

CURRENT VERSION OF TEXT

As amended by the Senate on November 16, 2020.



(Sponsorship Updated As Of: 12/7/2020)

1 AN ACT concerning rental housing affordability control periods and
 2 supplementing P.L.1985, c.222 (C.52:27D-301 et seq.).

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

6
 7 1. As used in P.L. , c. (C.) (pending before the Legislature
 8 as this bill):

9 ¹“Administrative agent” means the entity responsible for
 10 administering the affordability controls with respect to specific
 11 restricted units.¹

12 “Affordability controls” means the requirements set forth in the
 13 Uniform Housing Affordability Controls to ensure that a restricted
 14 rental unit remains affordable to a low-income household or moderate-
 15 income household, as applicable.

16 “Restricted rental unit” means a rental dwelling unit that is subject
 17 to affordability controls.

18 “Uniform Housing Affordability Controls” means the regulations
 19 promulgated by the New Jersey Housing and Mortgage Finance
 20 Agency, or any other regulations promulgated to implement the “Fair
 21 Housing Act,” P.L.1985, c.222 (C.52:27D-301 et seq.).

22
 23 2. a. When the affordability controls of a restricted rental unit
 24 expire, and the household occupying the rental unit continues to earn a
 25 gross annual income of not more than 80 percent of the regional
 26 median income, then the landlord shall not increase rent in a manner
 27 that conflicts with the affordability controls until the household elects
 28 to vacate the rental unit.

29 b. When the affordability controls of a restricted rental unit expire,
 30 and the household occupying the rental unit earns a gross annual
 31 income in excess of 80 percent of the regional median income, then
 32 the landlord may lease the rental unit at fair market rent beginning on
 33 the next scheduled lease renewal or after 60 days, whichever occurs
 34 later.

35 ¹c. No more than 180 days, and no less than 90 days prior to the
 36 expiration of the affordability controls of a restricted rental unit, the
 37 administrative agent shall conduct an income certification for the
 38 household occupying the unit in order to determine the appropriate
 39 course of action regarding rent increases on the unit. As long as the
 40 household occupying the restricted rental unit continues to reside in
 41 the unit, and continues to earn a gross annual income of not more than
 42 80 percent of the regional median income, the administrative agent
 43 shall conduct an additional income certification on an annual or
 44 biennial basis until the household is found to earn a gross annual
 45 income in excess of 80 percent of the regional median income, at

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate floor amendments adopted November 16, 2020.

1 which time the rent restriction may be lifted pursuant to subsection b.
2 of this section.¹

3
4 3. a. When a landlord offers for rent a restricted rental unit,
5 the lease or renewal agreement shall contain a prominently
6 displayed and highlighted provision on the first page of the written
7 document that states the date on which the affordability controls
8 will expire. The provision also shall inform the tenant of the
9 possibility of rent increases in accordance with subsection b. of
10 section 2 of P.L. , c. (C.) (pending before the Legislature
11 as this bill), following the expiration of the affordability controls.

12 b. If upon the expiration of affordability controls, the lease or
13 renewal agreement of the household occupying the rental unit fails
14 to comply with subsection a. of this section, then the landlord shall
15 not increase rent in a manner that conflicts with the affordability
16 controls until the next scheduled lease renewal, except as otherwise
17 provided in subsection a. of section 2 of P.L. , c. (C.)
18 (pending before the Legislature as this bill).

19
20 4. a. The landlord of a restricted rental unit shall provide
21 written notice to the tenant not less than 120 days before the
22 scheduled expiration of the affordability controls. The written
23 notice shall, at a minimum, include:

24 (1) the date on which the affordability controls will expire;

25 (2) the amount of any proposed rent increase; and

26 (3) an explanation that if the household occupying the rental
27 unit continues to earn a gross annual income of not more than 80
28 percent of the regional median income, the rent may not be
29 increased in a manner that conflicts with the affordability controls.

30 b. Except as otherwise provided in subsection a. of section 2 of
31 P.L. , c. (C.) (pending before the Legislature as this bill), if
32 the landlord fails to provide written notice in accordance with
33 subsection a. of this section, then following the expiration of the
34 affordability controls, the landlord shall not increase rent in a
35 manner that conflicts with the affordability controls until the next
36 scheduled lease renewal, or after 120 days following ¹the
37 **provision** notification¹ of the ¹**written notice** expiration of the
38 affordability controls¹, whichever occurs later.

39
40 5. This act shall take effect immediately.