SENATE COMMITTEE SUBSTITUTE FOR SENATE, Nos. 2347 and 1106

STATE OF NEW JERSEY 221st LEGISLATURE

ADOPTED FEBRUARY 15, 2024

Sponsored by: Senator TROY SINGLETON District 7 (Burlington) Senator BRITNEE N. TIMBERLAKE District 34 (Essex)

SYNOPSIS

Concerns development of accessory dwelling units and related municipal land use regulations.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Community and Urban Affairs Committee.



SCS for **S2347** SINGLETON, TIMBERLAKE

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AN ACT concerning accessory dwelling units and supplementing 1 2 P.L.1975, c.291 (C.40:55D-1 et seq.) and P.L.1993, c.30 3 (C.45:22A-43 et seq.). 4 5 **BE IT ENACTED** by the Senate and General Assembly of the State 6 of New Jersey: 7 8 1. a. The Legislature finds and declares that: 9 (1) Accessory dwelling units are a valuable form of housing and 10 present a way to expand the State's housing supply that is both costeffective and consistent with sound planning and environmental 11 12 principles. 13 Accessory dwelling units provide housing for family (2)14 members, the elderly, in-home health care providers, individuals 15 with disabilities, and others, often at below-market prices within existing neighborhoods with little to no cost to municipalities. 16 17 (3) Homeowners who develop accessory dwelling units can 18 benefit from added income and an increased sense of security. 19 (4) Allowing accessory dwelling units in single-family and two-20 family residential zones will make it possible to expand New Jersey's rental housing stock, and meet current and future housing 21 22 demand. 23 Accessory dwelling units offer low-cost housing within (5) 24 existing neighborhoods while maintaining the architectural 25 character of a neighborhood. 26 (6) Accessory dwelling units should, therefore, be considered an 27 essential component of New Jersey's housing supply. 28 b. It is the intent of the Legislature that municipal land use 29 regulations shall provide for the creation of accessory dwelling 30 units consistent with the provisions of P.L. , c. (C. (pending before the Legislature as this bill), and that no provision 31 32 of a regulation shall restrict the ability of a property owner to 33 develop an accessory dwelling unit consistent with the provisions of 34 P.L., c. (C.) (pending before the Legislature as this bill). 35 36 2. As used in P.L. , c. (C.) (pending before the 37 Legislature as this bill): "Accessory dwelling unit" means a secondary dwelling unit that: 38 39 a. is attached or detached, or located within or appurtenant to a permitted principal dwelling unit or single-family dwelling unit of 40 41 greater square footage; 42 b. is located on the same lot as a permitted principal dwelling 43 unit; and 44 c. has facilities and provisions for independent living, including 45 space for sleeping, food preparation, and sanitation. 46 "Accessory structure" means a structure that is accessory and 47 incidental to a dwelling located on the same lot.

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"Applicant" means a developer or homeowner submitting an
 application for development of an accessory dwelling unit.

"Buildable area" means that area within the rear yard of a lot on
which a primary dwelling is located that is beyond a five-foot
setback line from the side and rear property lines.

6 "Commissioner" means the Commissioner of Community7 Affairs.

"Department" means the Department of Community Affairs.

9 "Principal dwelling unit" means a single-family or two-family 10 dwelling proposed or existing on a residential lot, except that a 11 "principal dwelling unit" shall not mean a townhouse unit on an 12 individual lot.

"Single-family dwelling" means any structure that contains a
single-family dwelling unit on an individual lot, including
structures that are attached to other single-family dwellings with a
common party wall commonly known as "semi-detached" houses,
"row houses" or "townhouses."

18 "Tandem parking" means parking two or more automobiles on a
19 driveway or another location on a lot, aligned so that one
20 automobile is parked immediately behind the other.

21 "Two-family dwelling" means any structure that contains two
22 separate dwelling units on an individual lot, whether separated
23 horizontally or vertically.

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25 3. a. A municipality shall adopt one of the model land use 26 ordinances prescribed by the Commissioner of Community Affairs pursuant section 6 of P.L., c. 27 (C.) (pending before the 28 Legislature as this bill), in a manner consistent with the standards 29 and procedures set forth in P.L., c. (C.) (pending before 30 the Legislature as this bill).

b. (1) A municipality that adopts land use regulations
concerning accessory dwelling units pursuant to the provisions of
P.L., c. (C.) (pending before the Legislature as this bill),
which are not identical to one of the two model ordinances
promulgated by the commissioner pursuant to section 6 of P.L. ,

36 c. (C.) (pending before the Legislature as this bill), except as
37 to technical distinctions necessary for the adoption of the municipal
38 land use regulations, shall submit the land use regulations to the
39 Department of Community Affairs within 60 days of the date of
40 adoption of the regulations.

41 (2) The Department of Community Affairs shall review land use 42 regulations concerning accessory dwelling units that a municipality 43 submits pursuant to paragraph (1) of this subsection, and shall 44 notify the municipality, within 60 days of the date the department 45 receives a municipality's land use regulations, of any provision in 46 the regulations that do not comply with the provisions and intent of 47 P.L. , c. (C.) (pending before the Legislature as this bill). If the department does not notify a municipality that a provision of 48

its land use regulations do not comply with the provisions and
intent of P.L., c. (C.) (pending before the Legislature as
this bill) within 60 days of the date the department receives a
municipality's land use regulations, the regulations shall be deemed
approved.

6 (3) Within 90 days of the date a municipality receives notice of 7 the department's determination that a provision of the 8 municipality's land use regulations does not comply with the 9 provisions and intent of P.L., c. (C.) (pending before the 10 Legislature as this bill), the municipality shall either:

(a) amend the regulations to conform them with the provisions
and intent of P.L., c. (C.) (pending before the Legislature
as this bill); or

(b) respond to the departmental notice by setting forth the
municipality's reasons why its regulations do not comply with the
provisions and intent of P.L., c. (C.) (pending before the
Legislature as this bill), and requesting the department to approve
the municipal regulations.

(4) The department shall review any response from a
municipality, giving full consideration to the specific environmental
and other conditions affecting that municipality as well as the intent
of P.L. , c. (C.) (pending before the Legislature as this
bill), and shall notify the municipality either:

(a) that the municipality may retain all or some part of its landuse regulations; or

(b) that the municipality is required to amend provisions of its
land use regulations to be consistent with the provisions and intent
of P.L. , c. (C.) (pending before the Legislature as this
bill).

30 (5) Within 60 days of the date of receipt of the department's
31 notice pursuant to subparagraph (b) of paragraph (4) of this
32 subsection, a municipality shall amend its regulations as may be
33 required by the department pursuant to subparagraph (b) of
34 paragraph (4) of this subsection.

35 (6) If a municipality does not approve an application to develop 36 an accessory dwelling unit, or imposes conditions on the approval 37 of an application to develop an accessory dwelling unit, the 38 applicant may appeal the decision to the commissioner. If the 39 commissioner determines that the municipality's reasons for 40 withholding approval or imposing conditions on the approval of an 41 application to develop an accessory dwelling unit are inconsistent 42 with the provisions of P.L. , c. (C.) (pending before the 43 Legislature as this bill), notwithstanding whether the municipal 44 ordinance was approved as a result of inaction by the department as 45 set forth in paragraph (2) of this subsection, the commissioner shall 46 approve the application, and shall levy the cost of the proceedings, 47 including the applicant's legal expenses, if any, against the 48 municipality. In the event of a subsequent judicial appeal of the

commissioner's decision, the court shall apply the same standard of
 review as set forth in this subsection for the commissioner's
 decision on an appeal.

4 (7) The department may adopt rules and regulations pursuant to 5 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et 6 seq.) for the purpose of clarifying or supplementing any of the 7 terms, standards, or procedures set forth in P.L. , c. (C.) 8 (pending before the Legislature as this bill).

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4. a. (1) An application to develop an accessory dwelling unit shall be considered and approved by a municipality as a ministerial action without a public hearing, and without review beyond what is necessary to determine compliance with the provisions of P.L., c. (C.) (pending before the Legislature as this bill.

15 (2) A municipal agency shall provide an applicant with a 16 decision on an application to develop an accessory dwelling unit on 17 a lot that contains an existing or proposed single-family or two-18 family dwelling within 60 days of the date the applicant submits a 19 complete application.

20 (3) Unless an applicant agrees to toll the 60-day time period 21 allowed for a municipal agency to render a decision on an 22 application pursuant to paragraph (2) of this subsection, if the 23 municipal agency does not act upon a complete application within 24 the 60-day time period, the application shall be deemed approved. 25 A municipal agency may charge a reasonable fee to cover the costs 26 associated with reviewing and approving an application to develop 27 an accessory dwelling unit.

28 (4) If an application to develop an accessory dwelling unit is 29 submitted together with an application to develop a new single-30 family dwelling on the same lot, upon the applicant's request, both 31 applications shall be considered and acted upon by the appropriate 32 approving authority as a single application. An approval of an 33 application to develop an accessory dwelling unit that is submitted 34 together with an application to develop a new single-family 35 dwelling on the same lot shall not impose conditions on approval of 36 the accessory dwelling unit beyond those necessary to comply with 37 the provisions of P.L. , c. (C.) (pending before the 38 Legislature as this bill), or with municipal land use regulations that 39 are consistent with those provisions.

b. A municipality shall not interpret or apply a provision of any
other municipal ordinance, policy, or regulation to unduly or
maliciously delay or deny approval of an application to develop an
accessory dwelling unit.

c. A municipality shall not condition approval of an application
to develop an accessory dwelling unit upon the correction of a
nonconforming zoning condition.

5. a. (1) An association formed for the management of common 1 2 elements and facilities of a planned real estate development, 3 regardless of whether organized pursuant to section 1 of P.L.1993, 4 c.30 (C.45:22A-43), shall not, after the effective date of P.L., c. 5) (pending before the Legislature as this bill), adopt or (C. 6 enforce a restriction, covenant, bylaw, rule, regulation, master deed 7 provision, or provision of a governing document prohibiting or 8 unreasonably restricting the development or use of an accessory 9 dwelling unit on a lot zoned for single-family residential use if the 10 proposed accessory dwelling unit is consistent with the 11 requirements of P.L. , c. (C.) (pending before the 12 Legislature as this bill).

13 (2) Any covenant, restriction, or condition contained in a deed, 14 contract, security instrument, or other instrument affecting the 15 transfer or sale of any interest in a planned real estate development, and any provision of a master deed, bylaw, or other governing 16 17 document that either prohibits or unreasonably restricts the 18 development or use of an accessory dwelling unit on a lot zoned for 19 single-family or two-family residential use, is void and 20 unenforceable if the proposed accessory dwelling unit is consistent 21 with the requirements of P.L., c. (C.) (pending before the 22 Legislature as this bill).

b. An association may impose design or landscaping conditionson the development of an accessory dwelling unit if the conditions:

(1) are not in excess of conditions generally imposed within theplanned real estate development; and

(2) do not unreasonably increase the cost to construct, do not
effectively prohibit the construction of, and do not extinguish the
ability to otherwise construct, an accessory dwelling unit consistent
with the provisions of P.L., c. (C.) (pending before the
Legislature as this bill).

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6. The Commissioner of Community Affairs shall, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt rules and regulations as necessary to implement the provisions of P.L., c. (C.) (pending before the Legislature as this bill), which shall include but not be limited to:

39 a. The promulgation of two model ordinances as provided in subsections b. and c. of this section. Each municipality shall 40 41 promulgate one of the two model ordinances to regulate accessory dwelling units in the municipality. A municipal ordinance adopted 42 43 to fulfill the requirements of this subsection shall be in identical 44 form to a model ordinance, except as to technical distinctions 45 necessary for the adoption of the municipal land use regulations, or 46 as to municipal land use regulations that are approved by the 47 commissioner pursuant to subsection b. of section 3 of P.L., c. 48 (C.) (pending before the Legislature as this bill).

b. The commissioner shall promulgate the first of the two model
ordinances required pursuant to subsection a. of this section, which
shall be published on the department's Internet website and shall
conform to the following requirements:

5 The model ordinance shall provide that an accessory (1)6 dwelling unit shall be permitted on a lot that contains a single-7 family dwelling, and an individual shall be authorized to develop an 8 accessory dwelling unit on a lot owned by the person and located 9 within an area meeting the requirements of paragraph (3) of this 10 subsection, in a manner consistent with the standards and 11 procedures set forth in P.L. , c. (C.) (pending before the 12 Legislature as this bill).

13 (2) The model ordinance shall provide municipal discretion to 14 require a principal dwelling unit with an accessory dwelling unit to 15 be subject to the same dimensional controls and other controls, except for residential density controls, as are required for the same 16 17 principal dwelling unit without the accessory dwelling unit, as long 18 as such restrictions do not prohibit the construction of an accessory 19 dwelling unit on any individual lot that contains a single-family 20 dwelling.

(3) The model ordinance shall provide that an accessory
dwelling unit is a permitted use as of right on a lot if a primary
dwelling exists or is being proposed on the lot, and the lot is located
within a zone in which a single-family dwelling or a two-family
dwelling is permitted under the municipal land use regulations.

(4) The model ordinance shall not require:

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(a) a passageway between an accessory dwelling unit and aprincipal dwelling unit;

(b) any more than one parking space for an accessory dwelling
unit; existing and available on-street parking shall satisfy this
requirement; no parking space shall be required if the accessory
dwelling unit is located within one half-mile of public
transportation service;

34 (c) a familial, marital, or employment relationship between
35 occupants of a principal dwelling unit and an accessory dwelling
36 unit;

(d) a minimum age requirement for occupants of an accessory
dwelling unit, except that nothing in P.L., c. (C.) (pending
before the Legislature as this bill) shall be construed as superseding
the federal exemptions provided pursuant to 24 C.F.R. 100.301 or
any successor federal regulations;

42 (e) a separate billing of utilities otherwise connected to, or used43 by, the principal dwelling unit;

(f) a minimum floor area for any dwelling unit that is greater
than the minimum floor area set pursuant to the "State Uniform
Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.)
and any regulations adopted thereafter; or

48 (g) periodic renewals for permits for accessory dwelling units;

(5) The model ordinance shall provide that nothing in the modelordinance shall exempt an accessory dwelling unit from:

3 (a) applicable building code requirements pursuant to the "State
4 Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119
5 et seq.);

6 (b) the ability of a municipality to prohibit or limit the use of an 7 accessory dwelling unit for short-term rentals or vacation stays; or

8 (c) sewerage system related requirements where a private 9 sewerage system is being used, provided that approval for an 10 accessory dwelling unit shall not be unreasonably withheld.

11 (6) (a) For an accessory dwelling unit created within an existing 12 primary dwelling, or as an extension onto an existing primary 13 dwelling, the model ordinance shall provide that the applicant shall 14 not be required to install a new or separate utility connection 15 directly between the accessory dwelling unit and the utility or 16 impose a related connection fee or capacity charge, unless the 17 accessory dwelling unit was constructed together with a new single-18 family dwelling.

19 (b) For an accessory dwelling unit that is created as a separate 20 structure that is not part of an existing primary dwelling, the model 21 ordinance shall provide that the applicant may be required to install 22 a new or separate utility connection directly between the accessory 23 dwelling unit and the utility, in which case the connection may be 24 subject to a connection fee or capacity charge that shall be no more 25 than half the fee charged for a new primary dwelling and that shall 26 not exceed the reasonable cost of providing this service.

(7) The model ordinance shall provide that if a garage or other
covered parking structure or any parking space within the structure
is removed in conjunction with the construction of an accessory
dwelling unit or converted to an accessory dwelling unit, that the
off-street parking spaces shall not be required to be replaced.

32 (8) The model ordinance shall provide that a municipal agency 33 shall not approve an application to develop an accessory dwelling 34 unit on a parcel of property unless the applicant is the owner-35 occupant of an existing or proposed primary dwelling on the 36 property.

37 (9) The model ordinance shall not impose additional standards
38 beyond those provided for in P.L., c. (C.) (pending before
39 the Legislature as this bill) related to the regulation of accessory
40 dwelling units.

c. The commissioner shall promulgate the second of the two
model ordinances required pursuant to subsection a. of this section,
which shall be published on the department's Internet website and
shall conform to the following requirements:

(1) The model ordinance shall provide that an individual shall be
permitted to develop one or more accessory dwelling units on a lot
owned by the person, and located within an area meeting the
requirements of this subsection, in a manner consistent with the

standards and procedures set forth in P.L., c. (C.) (pending
 before the Legislature as this bill).

3 (2) Except as otherwise provided by paragraph (9) of this 4 subsection:

5 (a) the model ordinance shall provide that an accessory dwelling 6 unit is a permitted use as of right on a lot if a primary dwelling unit 7 exists or is being proposed on the lot, and the lot is located within a 8 zone in which a single-family dwelling or a two-family dwelling is 9 permitted under the municipal land use regulations for the 10 municipality in which the accessory dwelling unit is located; and

11 (b) the model ordinance shall offer discretion to a municipality 12 to require a principal dwelling unit with an accessory dwelling unit 13 to be subject to the same dimensional controls and other controls, 14 except for residential density controls, as are required for the same 15 principal dwelling unit without the accessory dwelling unit, as long 16 as such restrictions do not prohibit the construction of an accessory 17 dwelling unit on any individual lot that contains a single-family 18 dwelling.

19 (3) The model ordinance shall provide that a provision of a 20 municipal land use regulation that is in place on the effective date) (pending before the Legislature as this bill) 21 of P.L., c. (C. 22 but fails to comply with the requirements of P.L. . c. (C.) 23 (pending before the Legislature as this bill), shall be null, void, and 24 unenforceable; and

25 (4) The model ordinance shall provide that an accessory 26 dwelling unit may be either located within or attached to the 27 proposed or existing primary dwelling or to a proposed or existing 28 garage or other accessory structure, or detached from the proposed 29 or existing primary dwelling but located on the same lot as the 30 proposed or existing primary dwelling. The model ordinance shall 31 specify that a passageway between the primary dwelling and a 32 detached accessory structure shall not be required.

33 (5) The model ordinance shall provide that an accessory
34 dwelling unit may be rented separately from the primary dwelling,
35 but shall not be sold or otherwise conveyed separately from the
36 primary dwelling.

37 (6) The model ordinance shall not prohibit an applicant from
38 seeking approval to develop an accessory dwelling unit, either
39 simultaneously with or separately from the development of a
40 primary dwelling.

41 (7) The model ordinance shall provide the following standards42 for accessory dwelling units:

43 (a) The minimum floor area requirement, if any, shall be no44 greater than 300 square feet.

(b) The maximum floor area requirement, if any, shall be no
smaller than 1,200 square feet, except as otherwise provided in
paragraph (16) of this subsection.

(c) The maximum height requirement, if any, shall be no less
 than 20 feet.

3 (d) A developer shall not be required to install fire sprinklers in
4 an accessory dwelling unit if there is no requirement to install fire
5 sprinklers in the primary dwelling.

6 (e) (i) There shall be no setback requirements for any accessory 7 dwelling unit that is located within an existing structure or a 8 structure constructed in the same location and to the same 9 dimensions as an existing structure being converted to an accessory 10 dwelling unit.

(ii) There shall be no more than a five-foot sideyard andrearyard setback requirement for any other accessory dwelling unit.

(f) An accessory dwelling unit shall provide direct exterior
access separate from the direct exterior access for the primary
dwelling.

(g) Parking requirements for accessory dwelling units shall not
exceed one parking space per accessory dwelling unit, which may
be provided as tandem parking.

(h) If a garage or other covered parking structure or any parking
space within such structure is removed in conjunction with the
construction of an accessory dwelling unit or converted to an
accessory dwelling unit, that the off-street parking spaces shall not
be required to be replaced.

(8) The model ordinance shall provide that any provision of a
municipal land use regulation that does not comply with the
provisions of this subsection shall be void and shall not be enforced
by a municipal agency.

(9) The model ordinance shall permit the rejection of anapplication to develop an accessory dwelling unit if either:

30 (a) the proposed site is located within an area in which there
31 exists insufficient public sewer or water service, and within which
32 there exists severe constraints on the use of wells and septic tanks,
33 as determined by a competent authority, so to render the addition of
34 a dwelling unit hazardous to the public health; or

(b) the proposed site is located on a lot so small that an 800
square foot structure cannot be reasonably accommodated without
violating the minimum sideyard or rearyard setback requirements of
subparagraph (e) of paragraph (7) of this section.

39 (10) The model ordinance may allow a municipality to establish
40 reasonable landscaping standards for detached accessory dwelling
41 units.

(11) The model ordinance may allow a municipality to impose
architectural review requirements for an application proposing to
develop an accessory dwelling unit within an area designated as a
historic district by a competent state or local authority, if the
proposed development requires either new construction or exterior
modification of an existing structure.

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1 (12) The model ordinance may allow a municipality to reduce or 2 eliminate off-street parking requirements imposed upon the 3 development of an accessory dwelling unit otherwise applicable 4 under municipal land use regulation or Statewide site improvement 5 standards adopted pursuant to section 4 of P.L.1993, c.32 6 (C.40:55D-40.4).

7 (13) The model ordinance shall provide that a municipal agency
8 shall not approve an application to develop an accessory dwelling
9 unit on a parcel of property unless the applicant is the owner10 occupant of an existing or proposed primary dwelling on the
11 property.

(14) The model ordinance shall provide municipal discretion to
require that an accessory dwelling unit not be rented for a period of
less than 30 days.

(15) The model ordinance may allow a municipality to provide
that an accessory dwelling unit is a permitted use in zoning districts
in addition to those required pursuant to paragraph 2 of this
subsection, including but not limited to multifamily and mixed use
districts.

(16) The model ordinance may allow a municipality to limit the
maximum size of an accessory dwelling unit constructed separately
from the primary dwelling to that square footage that is not in
excess of 60 percent of the lot's buildable area.

24 (17) (a) For an accessory dwelling unit created within an 25 existing primary dwelling, or as an extension onto an existing 26 primary dwelling, the model ordinance shall provide that the 27 applicant shall not be required to install a new or separate utility 28 connection directly between the accessory dwelling unit and the 29 utility or impose a related connection fee or capacity charge, unless 30 the accessory dwelling unit was constructed together with a new 31 single-family dwelling.

32 (b) For an accessory dwelling unit that is created as a separate 33 structure that is not part of an existing primary dwelling, the model 34 ordinance shall provide that the applicant may be required to install a new or separate utility connection directly between the accessory 35 dwelling unit and the utility, in which case the connection may be 36 37 subject to a connection fee or capacity charge that shall be no more 38 than half the fee charged for a new primary dwelling and that shall 39 not exceed the reasonable cost of providing this service.

40 (18) Nothing contained in the model ordinance shall supersede 41 provisions of the State Uniform Construction Code, promulgated to 42 effectuate the "State Uniform Construction Code Act," P.L.1975, 43 c.217 (C.52:27D-119 et seq.), applicable to the construction of an 44 accessory dwelling unit; provided, however, that with respect to an 45 accessory dwelling unit or part thereof being constructed within an 46 existing primary dwelling, the provisions of the Rehabilitation 47 Subcode adopted pursuant to section 5 of P.L.1975, c.217 48 (C.52:27D-123) shall apply.

(19) A certificate of occupancy for an accessory dwelling unit
 shall not be issued before the issuance a certificate of occupancy for
 the primary dwelling.

d. Rules concerning the development of accessory dwelling
units in an association formed for the management of common
elements and facilities of a planned real estate development,
regardless of whether organized pursuant to section 1 of P.L.1993,
c.30 (C.45:22A-43), to:

9 (1) enforce and ensure compliance with the provisions of section 10 5 of P.L., c. (C.) (pending before the Legislature as this 11 bill);

(2) prescribe reasonable penalties for noncompliance with the
provisions of P.L., c. (C.) (pending before the Legislature
as this bill);

(3) provide guidance to associations subject to this subsectionconcerning the requirements of the bill; and

(4) to ensure that any restriction, covenant, bylaw, rule,
regulation, master deed provision, or provision of a governing
document does not prohibit the development of accessory dwelling
units, unreasonably restrict the development of accessory dwelling
units, and is consistent with the provisions of P.L., c. (C.)
(pending before the Legislature as this bill).

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7. This act shall take effect on the first day of the sixth month
next following the date of enactment, except that the commissioner
shall be permitted to take anticipatory action necessary to effectuate
the provisions of P.L., c. (C.) (pending before the
Legislature as this bill).