

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 2191

STATE OF NEW JERSEY

DATED: OCTOBER 1, 2026

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 2191.

As reported, this bill expands the liability of certain individuals associated with limited liability companies and other commercial entities in relation to residential properties that they lease.

Specifically, the bill provides that, in addition to retaining the ability to hold a commercial entity itself liable for housing, building, and health code charges, and charges issued under the “Hotel and Multiple Dwelling Law,” P.L.1967, c.76 (C.55:13A-1 et seq.), a court may hold certain members of a member-managed limited liability company, the managers of a manager-managed limited liability company, and the directors and officers of a corporation, jointly and severally liable for such charges, so long as:

(1) there are at least three charges concerning the property leased by the entity for residential purposes;

(2) at least three charges remain unpaid on the first day of the thirteenth month following the due date of the first charge;

(3) notice of the charge and impending enforcement has been issued to the address of the record owner, the registered agent, the managing agent, the members in the case of a limited liability company, the directors and officers in the case of a corporation, and each holder of a recorded mortgage and other existing lienholders, if provided within the landlord’s registration information. If the landlord is not registered, in violation of section 2 of P.L.1974, c.50 (C.46:8-28), then this notice requirement would not apply. The notice provided to an individual would be sufficient even if the commercial entity ceases to own the property, so long as the same individual has a role as a registered agent, managing agent, member, manager, director, or officer of the property’s new owner;

(4) the individual, if a member of a member-managed limited liability company, possesses at least a 10 percent interest in the business; and

(5) the defendant does not successfully assert an affirmative defense showing a lack of ability to ensure payment of the charge.

Additionally, existing landlord registration requirements currently require submission of the name and address of a registered agent who may accept service of process if the landlord is a corporation. This bill requires a landlord organized as any other legal or commercial entity

to also submit the name and address of a registered agent, as well as the name and address of the members of a member-managed limited liability company who possess at least a 10 percent interest in the business, and the officers and directors in the case of a corporation, when registering as a landlord. Upon filing this information, the bill requires the municipal clerk to notify the construction official and the Director of the Division of Taxation in the Department of the Treasury of the name and address of the record owner, and registered agent as applicable.

Finally, this bill allows municipalities to amend their housing, building, and health codes to direct that any charge issued to a landlord for violating the code may, after serving notice, be enforced as a lien on the property. However, enforcement as a lien would only be permitted if the charge remains unpaid on the first day of the thirteenth month following the due date of the charge.

This bill was prefiled for introduction in the 2026-2027 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.