

SENATE, No. 2191

STATE OF NEW JERSEY

222nd LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2026 SESSION

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Senators Johnson, Cryan, Burgess and Wimberly

SYNOPSIS

Expands liability of certain individuals associated with limited liability companies and other commercial entities, when acting as residential landlord.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee with technical review.



(Sponsorship Updated As Of: 10/5/2026)

1 AN ACT concerning rental housing and liability of individuals
2 associated with limited liability companies and other commercial
3 entities, and supplementing and amending various parts of the
4 statutory law.

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

8
9 1. (New section) a. A court may hold a corporation, limited
10 liability company, or other legal or commercial entity liable for
11 charges issued to that entity pursuant to a housing code, building
12 code, or health code.

13 b. Notwithstanding any provision of section 30 of the “Revised
14 Uniform Limited Liability Company Act,” P.L.2012, c.50
15 (C.42:2C-30), or any other provision of law to the contrary, with
16 regard to any charge issued following the effective date of P.L. ,
17 c. (C.) (pending before the Legislature as this bill), a court
18 may hold the members of a member-managed limited liability
19 company, the managers of a manager-managed limited liability
20 company, and the directors and officers of a corporation, jointly and
21 severally liable for housing code, building code, or health code
22 charges, so long as:

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

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

27 (3) notice of the charge and impending enforcement under this
28 section has been issued to the address of the record owner, the
29 registered agent, the managing agent, the members and managers in
30 the case of a limited liability company, the directors and officers in
31 the case of a corporation, and each holder of a recorded mortgage
32 and other existing lienholders, if provided within the landlord’s
33 registration information pursuant to section 2 of P.L.1974, c.50
34 (C.46:8-28). If the landlord is not registered, in violation of section
35 2 of P.L.1974, c.50 (C.46:8-28), then the notice required under this
36 paragraph shall not apply. The notice provided to an individual
37 pursuant to this paragraph shall be sufficient even if the corporation
38 or limited liability company ceases to own the property, so long as
39 the same individual has a role as a registered agent, managing
40 agent, member, manager, director, or officer of the commercial
41 entity serving as the new owner of the property;

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

45 (5) the individual does not successfully assert an affirmative

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.

1 defense pursuant to subsection c. of this section.

2 c. It is an affirmative defense to joint and several liability
3 under this section, if the defendant did not have the ability to ensure
4 payment of the charge, due to a limited duration of involvement
5 with the commercial entity or for another reason, if determined by
6 the court to eliminate the defendant's culpability for the non-
7 payment of the charge.

8 d. As used in this section, "charge" means any fee, fine,
9 penalty, or other charge issued to a landlord, concerning residential
10 property leased by the landlord, pursuant to a housing, building, or
11 health code.

12

13 2. (New section) a. A court may hold a corporation, limited
14 liability company, or other legal or commercial entity liable for
15 charges issued to that entity pursuant to the "Hotel and Multiple
16 Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.).

17 b. Notwithstanding any provision of section 30 of the "Revised
18 Uniform Limited Liability Company Act," P.L.2012, c.50
19 (C.42:2C-30), or any other provision of law to the contrary, with
20 regard to any charge issued following the effective date of P.L. ,

21 c. (C.) (pending before the Legislature as this bill), a court
22 may hold the members of a member-managed limited liability
23 company, the managers of a manager-managed limited liability
24 company, and the directors and officers of a corporation, jointly and
25 severally liable for charges issued pursuant to the "Hotel and
26 Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.), so
27 long as:

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

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

32 (3) notice of the charge and impending enforcement under this
33 section has been issued to the address of the record owner, the
34 registered agent, the managing agent, the members and managers in
35 the case of a limited liability company, the directors and officers in
36 the case of a corporation, and each holder of a recorded mortgage
37 and other existing lienholders, if provided within the landlord's
38 registration information pursuant to section 2 of P.L.1974, c.50
39 (C.46:8-28). If the landlord is not registered, in violation of section
40 2 of P.L.1974, c.50 (C.46:8-28), then the notice required under this
41 paragraph shall not apply. The notice provided to an individual
42 pursuant to this paragraph shall be sufficient even if the corporation
43 or limited liability company ceases to own the property, so long as
44 the same individual has a role as a registered agent, managing
45 agent, member, manager, director, or officer of the commercial
46 entity serving as the new owner of the property;

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

4 (5) the individual does not successfully assert an affirmative
5 defense pursuant to subsection c. of this section.

6 c. It is an affirmative defense to joint and several liability
7 under this section, if the defendant did not have the ability to ensure
8 payment of the charge, due to a limited duration of involvement
9 with the commercial entity or for another reason, if determined by
10 the court to eliminate the defendant's culpability for the non-
11 payment of the charge.

12 d. As used in this section, "charge" means any fee, fine,
13 penalty, or other charge issued to a landlord, concerning residential
14 property leased by the landlord, pursuant to the "Hotel and Multiple
15 Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.).
16

17 3. (New section) a. With regard to any charge issued
18 following the effective date of P.L. , c. (C.) (pending
19 before the Legislature as this bill), the directors of a corporation
20 shall be jointly and severally liable for:

21 (1) housing code, building code, or health code charges, so long
22 as the conditions under subsection b. of section 1 of P.L. ,
23 c. (C.) (pending before the Legislature as this bill) have been
24 satisfied; and

25 (2) charges issued pursuant to the "Hotel and Multiple Dwelling
26 Law," P.L.1967, c.76 (C.55:13A-1 et seq.), so long as the
27 conditions under subsection b. of section 2 of P.L. , c. (C.)
28 (pending before the Legislature as this bill) have been satisfied.

29 b. As used in this section, "charge" means any fee, fine,
30 penalty, or other charge issued to a landlord, concerning residential
31 property leased by the landlord, pursuant to a housing, building, or
32 health code, and any charge issued pursuant to the "Hotel and
33 Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.).
34

35 4. (New section) a. With regard to any charge issued
36 following the effective date of P.L. , c. (C.) (pending
37 before the Legislature as this bill), the officers of a corporation shall
38 be jointly and severally liable for:

39 (1) housing code, building code, or health code charges, so long
40 as the conditions under subsection b. of section 1 of P.L. ,
41 c. (C.) (pending before the Legislature as this bill) have been
42 satisfied; and

43 (2) charges issued pursuant to the "Hotel and Multiple Dwelling
44 Law," P.L.1967, c.76 (C.55:13A-1 et seq.), so long as the
45 conditions under subsection b. of section 2 of P.L. , c. (C.)
46 (pending before the Legislature as this bill) have been satisfied.

47 b. As used in this section, "charge" means any fee, fine,
48 penalty, or other charge issued to a landlord, concerning residential

1 property leased by the landlord, pursuant to a housing, building, or
2 health code, and any charge issued pursuant to the "Hotel and
3 Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.)

4
5 5. Section 30 of P.L.2012, c.50 (C.42:2C-30) is amended to
6 read as follows:

7 30. a. The debts, obligations, or other liabilities of a limited
8 liability company, whether arising in contract, tort, or otherwise:

9 (1) are solely the debts, obligations, or other liabilities of the
10 company; and

11 (2) do not become the debts, obligations, or other liabilities of a
12 member or manager solely by reason of the member acting as a
13 member or manager acting as a manager.

14 b. The failure of a limited liability company to observe any
15 particular formalities relating to the exercise of its powers or
16 management of its activities is not a ground for imposing liability
17 on the members or managers for the debts, obligations, or other
18 liabilities of the company.

19 c. Notwithstanding any provision of this section to the
20 contrary, with regard to any charge issued following the effective
21 date of P.L., c. (C.) (pending before the Legislature as this
22 bill), the members of a member-managed limited liability company
23 who possess at least a 10 percent interest in the business, and the
24 managers of a manager-managed limited liability company, shall be
25 jointly and severally liable for:

26 (1) housing code, building code, or health code charges, so long
27 as the conditions under subsection b. of section 1 of P.L. , c.
28 (C.) (pending before the Legislature as this bill) have been
29 satisfied; and

30 (2) charges issued pursuant to the "Hotel and Multiple Dwelling
31 Law," P.L.1967, c.76 (C.55:13A-1 et seq.), so long as the
32 conditions under subsection b. of section 2 of P.L. , c. (C.)
33 (pending before the Legislature as this bill) have been satisfied.
34 (cf: P.L.2012, c.50, s.30)

35
36 6. Section 2 of P.L.1974, c.50 (C.46:8-28) is amended to read
37 as follows:

38 2. Every landlord shall, within 30 days following the effective
39 date of **【this act】** P.L.1974, c.50 (C.46:8-27 et. seq.), or at the time
40 of the creation of the first tenancy in any newly constructed or
41 reconstructed building, file with the clerk of the municipality, or
42 with such other municipal official as is designated by the clerk, in
43 which the residential property is situated, in the case of a one-
44 dwelling unit rental or a two-dwelling unit non-owner occupied
45 premises, or with the Bureau of Housing Inspection in the
46 Department of Community Affairs in the case of a multiple
47 dwelling as defined in section 3 of the "Hotel and Multiple
48 Dwelling Law" (C.55:13A-3), a certificate of registration on forms

1 prescribed by the Commissioner of Community Affairs, which
2 shall contain the following information:

3 a. The name and address of the record owner or owners of the
4 premises and the record owner or owners of the rental business if
5 not the same persons. In the case of a partnership the names of all
6 general partners shall be provided;

7 b. If the record owner is a corporation, a limited liability
8 company, or any other legal or commercial entity, the name and
9 address of the registered agent, the members with at least a 10
10 percent interest in a member-managed limited liability company,
11 the managers of a manager-managed limited liability company, and
12 **【corporate】** the officers 【of said corporation】 and directors of a
13 corporation, as applicable;

14 c. If the address of any record owner is not located in the
15 county in which the premises are located, the name and address of a
16 person who resides in the county in which the premises are located
17 and is authorized to accept notices from a tenant and to issue
18 receipts therefor and to accept service of process on behalf of the
19 record owner;

20 d. The name and address of the managing agent of the
21 premises, if any;

22 e. The name and address, including the dwelling unit,
23 apartment or room number of the superintendent, janitor, custodian
24 or other individual employed by the record owner or managing
25 agent to provide regular maintenance service, if any;

26 f. The name, address and telephone number of an individual
27 representative of the record owner or managing agent who may be
28 reached or contacted at any time in the event of an emergency
29 affecting the premises or any unit of dwelling space therein,
30 including such emergencies as the failure of any essential service or
31 system, and who has the authority to make emergency decisions
32 concerning the building and any repair thereto or expenditure in
33 connection therewith and shall, at all times, have access to a current
34 list of building tenants that shall be made available to emergency
35 personnel as required in the event of an emergency;

36 g. The name and address of every holder of a recorded
37 mortgage on the premises;

38 h. If fuel oil is used to heat the building and the landlord
39 furnishes the heat in the building, the name and address of the fuel
40 oil dealer servicing the building and the grade of fuel oil used.

41 (cf: P.L.2003, c.56, s.2)

42

43 7. Section 3 of P.L.1981, c.442 (C.46:8-28.1) is amended to
44 read as follows:

45 3. In the case of a filing under section 2 of P.L.1974, c.50
46 (C.46:8-28) with the municipal clerk, or with such other municipal
47 official as is designated by the clerk, the clerk or designated official
48 shall index and file the certificate **【and】** , make it reasonably

1 available for public inspection, and shall notify the construction
2 official, appointed pursuant to section 8 of P.L.1975, c.217
3 (C.52:27D-126), and the Director of the Division of Taxation in the
4 Department of the Treasury, of the name and address of the record
5 owner, and registered agent as applicable. In the case of a filing
6 with the Bureau of Housing Inspection, the filing shall be
7 accompanied by the filing fee required pursuant to section 12 of
8 P.L.1967, c. 76 (C. 55:13A-12). The bureau shall review the
9 certificate and, if it is found to be in conformity with this law and
10 any regulations promulgated hereunder, validate the certificate and
11 issue a validated copy to the landlord and a validated copy to the
12 clerk of the municipality in which the building or project is located.
13 The clerk shall index the validated certificates, or forward them to
14 the designated official for indexing, and the certificates shall be
15 made available as with the certificates required of one and two
16 dwelling unit nonowner occupied premises.

17 (cf: P.L.2001, c.264, s.2)

18
19 8. (New section) a. A municipality may direct by ordinance of
20 the governing body that any charge issued to a landlord pursuant to
21 a housing code, building code, or health code, concerning
22 residential property leased by the landlord, shall become a lien on
23 the property, enforceable in the manner provided for real property
24 tax liens in chapter 5 of Title 54 of the Revised Statutes, if the
25 charge remains unpaid on the first day of the thirteenth month next
26 following the date when the charge becomes due and owing. At
27 least 90 days prior to filing an unpaid charge as a municipal lien
28 against the property pursuant to this section, the municipality shall
29 serve written notice to the property owner, and the other parties in
30 interest, indicating that if the charge remains unpaid it shall be
31 converted into a municipal lien, and shall provide the owner the
32 opportunity to pay the fine or request a hearing before a court of
33 competent jurisdiction. If the landlord is not registered, in violation
34 of section 2 of P.L.1974, c.50 (C.46:8-28), then this additional
35 notice requirement concerning the landlord shall not apply prior to
36 conversion into a municipal lien. In a municipality that has adopted
37 an ordinance under this subsection, at the time when the charge
38 becomes a lien, the municipal officer responsible for housing code
39 enforcement shall file a copy of the lien and certification with the
40 municipal tax collector. This lien shall be added to and become and
41 form part of the taxes next to be assessed and levied upon such
42 dwelling or lands, the same to bear interest at the same rate as taxes,
43 and shall be collected and enforced by the same officers and in the
44 same manner as taxes.

45 b. As used in this section, "charge" means any fee, fine,
46 penalty, or other charge issued to a landlord, concerning residential
47 property leased by the landlord, pursuant to a housing, building, or
48 health code.

- 1 9. This act shall take effect immediately.