

**SENATE, No. 4833**

**STATE OF NEW JERSEY**  
**222nd LEGISLATURE**

INTRODUCED OCTOBER 15, 2026

**Sponsored by:**  
**Senator BRIAN P. STACK**  
**District 33 (Hudson)**

**SYNOPSIS**  
Concerns exemptions to municipal rent control and rent leveling ordinances.

**CURRENT VERSION OF TEXT**  
As introduced.



1 AN ACT concerning exemptions to rent control and rent leveling  
2 ordinances, and supplementing and amending P.L.1987, c.153.

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

6  
7 1. (New section) The Legislature finds and declares that:

8 a. P.L.1987, c.153 (C.2A:42-84.1 et seq.) established a  
9 temporary exemption from rent increase limitations as an incentive  
10 to construct new rental housing;

11 b. The exemption rewards developers who build multiple  
12 dwellings for rental occupancy by permitting market-rate rents  
13 during an initial period;

14 c. Units constructed for sale have been built in response to a  
15 different market incentive and were not intended to benefit from the  
16 exemption established by P.L.1987, c.153 (C.2A:42-84.1 et seq.),  
17 regardless of whether any sale occurs or the units are later offered  
18 for rent;

19 d. The terms of the exemption, including the duration of the  
20 exemption period as determined by the initial mortgage loan, are  
21 fixed at the time of the original construction event and are not  
22 subject to reset, revival, or re-establishment through changes in  
23 ownership, financing, legal structure, or marketing of the multiple  
24 dwelling during or after the course of construction;

25 e. The Legislature did not intend, and P.L.1987, c.153 (C.2A:42-  
26 84.1 et seq.) has not at any time provided, that a transfer of  
27 ownership, substitution of financing, or conversion of individually  
28 owned dwelling units to rental use would create a new opportunity  
29 to claim an exemption or establish a new exemption period;  
30 provided, however, that the availability of an exemption for a  
31 building converted from non-residential use to use as a multiple  
32 dwelling is not to be precluded, provided all requirements of  
33 P.L.1987, c.153 (C.2A:42-84.1 et seq.) are satisfied;

34 f. P.L.1999, c.291 was intended to clarify P.L.1987, c.153  
35 (C.2A:42-84.1 et seq.), confirming that a 30-year exemption period  
36 applies only when there is "no initial mortgage financing," and  
37 provided that the owner has "fully complied" with the filing  
38 requirements of section 4 of P.L.1987, c.153 (C.2A:42-84.4);

39 g. The requirement of full compliance with section 4 of  
40 P.L.1987, c.153 (C.2A:42-84.4) as a prerequisite to claiming an  
41 exemption was confirmed by section 3 of P.L.1999, c.291. The  
42 enactment of P.L. , c. (C. ) (pending before the Legislature  
43 as this bill) codifies that confirmed requirement as part of the  
44 permanent statutory text. The requirement of full compliance with  
45 section 3 of P.L.1987, c.153 (C.2A:42-84.3), including truthful

**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 disclosure, has applied on the same basis since the original  
2 enactment of P.L.1987, c.153, and is hereby confirmed.

3 h. Through the enactment of P.L. , c. (C. ) (pending  
4 before the Legislature as this bill), the Legislature intends to  
5 memorialize that, pursuant to section 4 of P.L.1987, c.153  
6 (C.2A:42-84.4): in a municipality that has enacted a rent control or  
7 rent leveling ordinance, the ordinance shall apply to all qualifying  
8 multiple dwellings unless interrupted by a valid exemption filing;  
9 that only the original owner shall be permitted to file for the  
10 exemption, and only prior to the completion of construction; and  
11 that, if a valid filing has not occurred, the municipal ordinance shall  
12 continue to apply by operation of law, and subsequent owners are to  
13 obtain ownership of the property in its existing regulatory status;

14 i. In the enactment of P.L.1987, c.153 (C.2A:42-84.1 et seq.),  
15 the Legislature intended for the term "mortgage loan," or "initial  
16 mortgage loan" to have the same breadth as a "mortgage loan," as  
17 defined in section 1 of P.L.1985, c.353 (C.46:9-8.1);

18 j. It is in the public interest, and a valid public purpose for the  
19 Legislature to clarify the initial intent of P.L.1987, c.153 (C.2A:42-  
20 84.1 et seq.), and thereby ensure that municipalities shall be  
21 provided with appropriate authority to regulate rents within their  
22 boundaries;

23 k. The Legislature intends to memorialize that, where a  
24 mortgage has been obtained, the exemption period is to be limited  
25 to the term of the mortgage, and in order to claim an exemption, the  
26 owner shall be required to establish the initial mortgage term in the  
27 notice required pursuant to section 3 of P.L.1987, c.153 (C.2A:42-  
28 84.3); and

29 l. The enactment of P.L. , c. (C. ) (pending before the  
30 Legislature as this bill) shall memorialize requirements that have  
31 applied since the original enactment of P.L.1987, c.153 (C.2A:42-  
32 84.1 et seq.), and shall not impose new obligations on owners who  
33 have complied with P.L.1987, c.153 (C.2A:42-84.1 et seq.).  
34

35 2. Section 1 of P.L.1987, c.153 (C.2A:42-84.1) is amended to  
36 read as follows:

37 1. As used in **[this act]** P.L.1987, c.153 (C.2A:42-84.1 et seq.):

38 a. "Completion of construction" means issuance of **[a]** the  
39 initial certificate of occupancy pursuant to section 15 of the "State  
40 Uniform Construction Code Act," P.L. 1975, c. 217 (C. 52:27D-  
41 133), meaning the first certificate of occupancy for the newly  
42 constructed building. "Completion of construction" shall not mean  
43 the issuance of a certificate of continued occupancy, certificate of  
44 compliance, certificate of re-occupancy, or any other subsequent  
45 administrative filing;

46 b. "Constructed" means constructed, erected, or converted **[but**  
47 excludes rehabilitation of premises rented previously for residential  
48 purposes without an intervening use for other purposes for a period

- 1 of at least two years prior to conversion. Mere vacancy shall not be  
2 considered an intervening use for the purposes of this subsection **】** ;
- 3 c. "Constructed after the effective date of this act" means  
4 initially constructed pursuant to a construction permit for a multiple  
5 dwelling issued on or after the effective date of **【this act】** P.L.1987,  
6 c.153 (C.2A:42-84.1 et seq.). A building constructed pursuant to a  
7 construction permit for individually owned dwelling units,  
8 including condominiums and cooperatives, shall not be considered a  
9 building constructed pursuant to a construction permit for a  
10 multiple dwelling for purposes of this subsection, regardless of  
11 whether units therein are subsequently rented. For a building  
12 converted from non-residential use to use as a multiple dwelling,  
13 the construction permit for the conversion shall be the operative  
14 construction permit for purposes of this subsection;
- 15 d. "Constructed for senior citizens" means constructed under a  
16 governmental program restricting occupancy of at least **【90%】** 90  
17 percent of the dwelling units to senior citizens and any members of  
18 their immediate households or their occupant surviving spouses, or  
19 constructed as a retirement subdivision or retirement community as  
20 defined in the "Retirement Community Full Disclosure Act," P.L.  
21 1969, c. 215 (C. 45:22A-1 et seq.);
- 22 e. "Multiple dwelling" means any building or structure and land  
23 appurtenant thereto containing four or more dwelling units, other  
24 than dwelling units constructed for occupation by senior citizens,  
25 rented or offered for rent to four or more tenants or family units;
- 26 f. "Period of amortization" means the time during which the  
27 principal amount of the initial mortgage loan and interest thereon  
28 would be paid entirely through periodic payments, whether or not  
29 the term of the initial mortgage loan is for a shorter period  
30 concluding with a balloon payment; **【and】**
- 31 g. "Senior citizens" means persons 62 years of age or older;
- 32 h. "Construction loan" means a loan for a fixed term of no more  
33 than three years which is secured by a lien on real property and  
34 which is made by the lender for the sole purpose of financing the  
35 erection, construction, completion, addition to, alteration or repair  
36 of improvements to real property;
- 37 i. "Exemption" means an exemption, established pursuant to  
38 P.L.1987, c.153 (C.2A:42-84.1 et seq.), from a rent control or rent  
39 leveling ordinance;
- 40 j. "Initial mortgage loan" means the mortgage financing  
41 obtained by the original owner of a multiple dwelling to finance  
42 construction of the multiple dwelling prior to the completion of  
43 construction. Subsequent refinancing or financing obtained after  
44 the completion of construction, or by any successor owner,  
45 including but not limited to refinancing loans, acquisition loans, or  
46 permanent financing loans, shall not constitute the initial mortgage  
47 loan. Where the initial mortgage loan has been refinanced,  
48 extended, modified, or replaced, the term of the initial mortgage

1 loan as originally executed shall control. A "mortgage loan," as  
2 defined in section 1 of P.L.1985, c.353 (C.46:9-8.1), meaning any  
3 loan or line of credit, except a construction loan, which states a  
4 maximum specified principal amount and which is secured by an  
5 interest in real property, shall constitute an initial mortgage loan. A  
6 loan or line of credit obtained for the construction, development, or  
7 financing of a multiple dwelling that is not a construction loan shall  
8 constitute an initial mortgage loan for purposes of determining the  
9 duration of an exemption under section 2 of P.L.1987, c.153  
10 (C.2A:42-84.2);

11 k. "Newly constructed multiple dwelling" means a multiple  
12 dwelling that, at the time of initial construction, was intended and  
13 designed for dwelling units to be rented or offered for rent. A  
14 multiple dwelling or dwelling unit constructed for sale shall not  
15 constitute a newly constructed multiple dwelling, regardless of  
16 whether a sale occurred or the unit is later offered for rent. The  
17 determination of whether or not a multiple dwelling shall constitute  
18 a multiple dwelling shall be determined at the time of the  
19 completion of construction and shall not change based on  
20 subsequent events following the initial determination; and

21 l. "Original owner" means the owner who obtained the  
22 construction permit and commenced construction of the multiple  
23 dwelling. An owner who acquires a partially or fully constructed  
24 building through purchase, foreclosure, or any other method of  
25 transfer shall not be considered the "original owner" for purposes of  
26 P.L.1987, c.153 (C.2A:42-84.1 et seq.).

27 (cf: P.L.1987, c.153, s.1)

28

29 3. Section 2 of P.L.1987, c.153 (C.2A:42-84.2) is amended to  
30 read as follows:

31 2. a. In any municipality which has enacted or which hereafter  
32 enacts a rent control or rent leveling ordinance, other than under the  
33 authority of P.L.1966, c.168 (C.2A:42-74 et seq.), those provisions  
34 of the ordinance which limit the periodic or regular increases in  
35 base rentals of dwelling units shall not apply to multiple dwellings  
36 constructed after the effective date of **[this act]** P.L.1987, c.153  
37 (C.2A:42-84.1 et seq.), for a period of time not to exceed the period  
38 of amortization of any initial mortgage loan obtained for the  
39 multiple dwelling, or for 30 years following completion of  
40 construction, whichever is less. An owner who satisfies the  
41 prerequisites established pursuant to P.L.1987, c.153 (C.2A:42-84.1  
42 et seq.) for claiming an exemption from a local rent control or rent  
43 leveling ordinance may claim the exemption for the full duration of  
44 the initial financing or 30 years, whichever is less.

45 b. (1) In the event that there is no initial mortgage **[financing]**  
46 loan, the period of exemption **[from a rent control or rent leveling**  
47 ordinance] shall be 30 years from the completion of construction.

1       (2) Where an initial mortgage loan has been obtained, the  
2 exemption period shall be limited to the term of the loan as stated in  
3 the loan documentation. If the loan documentation permits multiple  
4 amortization periods, the longest permitted period shall apply.

5       c. The 30-year default period shall be available to an owner who  
6 has financed construction without a project-based mortgage. To  
7 claim an exemption in which the initial mortgage loan has been  
8 obtained, the owner shall establish the term of such financing.

9       d. An exemption shall not be available unless dwelling units in a  
10 multiple dwelling are constructed for rental occupancy. A building  
11 constructed for sale as individual dwelling units shall not qualify  
12 for an exemption regardless of whether any units are subsequently  
13 rented rather than sold.

14       e. As used in this section, the "term" of an initial mortgage loan  
15 means the period from the date of origination to the date of maturity  
16 as stated in the loan documentation, and shall not be measured by  
17 any amortization schedule.

18 (cf: P.L.1999, c.291, s.1)

19  
20       4. Section 3 of P.L.1987, c.153 (C.2A:42-84.3) is amended to  
21 read as follows:

22       3. a. The owner of any multiple dwelling exempted from a rent  
23 control or rent leveling ordinance pursuant to [this act] P.L.1987,  
24 c.153 (C.2A:42-84.1 et seq.), shall, prior to entering into any lease  
25 with a person for tenancy of any premises located in the multiple  
26 dwelling, furnish the prospective tenant with a written statement  
27 that [the multiple dwelling in which the premises is located is  
28 exempt from rent control or rent leveling for such time as may  
29 remain in the exemption period.] shall include the following  
30 provisions:

31       (1) a representation that the building has qualified as a newly  
32 constructed multiple dwelling pursuant to P.L.1987, c.153  
33 (C.2A:42-84.1 et seq.) at the time of initial construction;

34       (2) the date of the completion of construction;

35       (3) whether an initial mortgage loan was obtained, and if so, the  
36 term of the loan;

37       (4) the date on which the exemption period shall terminate; and

38       (5) the basis for calculating the termination date for the  
39 exemption period.

40       b. Each lease offered to a prospective tenant for any dwelling  
41 unit therein during the period the multiple dwelling is so exempted  
42 shall contain a provision notifying the tenant of the exemption, and  
43 shall include the information required pursuant to subsection a. of  
44 this section.

45       c. The notice requirement requiring a calculation of the  
46 termination date for the exemption period, established pursuant to  
47 paragraph (5) of subsection a. of this section, shall not be satisfied  
48 unless the owner provides an explanation that:

1       (1) the exemption period, pursuant to subsection b. of section 2  
2 of P.L.1987, c.153 (C.2A:42-84.2), shall be 30 years, because no  
3 initial mortgage loan was obtained; or

4       (2) disclosure of the term of the initial mortgage loan for the  
5 multiple dwelling.

6       d. An owner who has obtained an exemption, and who provides  
7 complete and accurate notice, as required by this section, shall be  
8 permitted to collect rent increases consistent with the claimed  
9 exemption. A unit for which the owner has failed to comply with  
10 the notice requirements of this section shall not be entitled to the  
11 exemption provided under P.L.1987, c.153 (C.2A:42-84.1 et seq.)  
12 to collect rent increases. The loss of exemption for such unit shall  
13 not be terminated by a change in occupancy, vacancy, change in  
14 ownership, or any other event, and shall remain in effect unless and  
15 until the unit is converted to non-residential use for a period of not  
16 less than two years.

17       e. (1) In addition to the loss of exemption penalty established  
18 pursuant to subsection d. of this section, a notice that contains a  
19 material misrepresentation concerning the basis, duration, or  
20 validity of an exemption shall not constitute compliance with the  
21 notice requirements of this section. A material misrepresentation  
22 shall include, but shall not be limited to:

23       (a) representing that an exemption period is 30 years when an  
24 initial mortgage loan was obtained, unless the term of the initial  
25 mortgage loan is 30 years or more;

26       (b) representing that a valid exemption exists when no claim of  
27 exemption was filed by the original owner in compliance with  
28 section 4 of P.L.1987, c.153 (C.2A:42-84.4);

29       (c) representing that a building qualifies as a newly constructed  
30 multiple dwelling when, at the time of initial construction, the  
31 building was constructed for sale as individual dwelling units; or

32       (d) representing an exemption termination date that does not  
33 accurately reflect the term of the initial mortgage loan or the actual  
34 date of the completion of construction.

35       (2) The provision of materially false notice concerning the basis,  
36 duration, or validity of an exemption, or the collection of rent in  
37 excess of that permitted by the applicable municipal rent control  
38 provisions based upon a claim of exemption that is not valid, shall  
39 constitute an unlawful practice within the meaning of section 2 of  
40 P.L.1960, c.39 (C.56:8-2). Proof of intent shall not be required to  
41 establish a violation of this subsection.

42       f. (1) A tenant of a dwelling unit for which an exemption is  
43 claimed may petition the municipal rent board for a determination  
44 of whether the owner has satisfied the requirements of this section.  
45 The board shall render a determination within 90 days of receipt of  
46 a complete petition.

47       (2) A municipal rent board shall determine whether an owner  
48 has satisfied the notice requirements established pursuant to this

1 section. If these notice requirements are not satisfied, the loss of  
2 exemption penalty established pursuant to subsection d. of this  
3 section shall apply by operation of law.

4 g. (1) Full compliance with the requirements of this section,  
5 including the requirement of truthful disclosure, is a prerequisite to  
6 claiming or maintaining an exemption from a rent control or rent  
7 leveling ordinance pursuant to P.L.1987, c.153 (C.2A:42-84.1 et  
8 seq.).

9 (2) The notice requirements established pursuant to this section  
10 have required truthful disclosure since the original enactment of  
11 P.L.1987, c.153. A notice that misrepresents the duration, basis, or  
12 validity of an exemption has not, at any time, constituted  
13 compliance with this section.

14 (cf: P.L.1987, c.153, s.3)

15  
16 5. Section 4 of P.L.1987, c.153 (C.2A:42-84.4) is amended to  
17 read as follows:

18 4. a. (1) The owner of any multiple dwelling claiming an  
19 exemption from a rent control or rent leveling ordinance pursuant to  
20 **【this act】** P.L.1987, c.153 (C.2A:42-84.1 et seq.) shall file with the  
21 municipal construction official, at least 30 days prior to the issuance  
22 of a certificate of occupancy for the newly constructed multiple  
23 dwelling, a written statement of the owner's claim of exemption  
24 **【from an ordinance under this act】**, including therein a statement  
25 of the date upon which the exemption period so claimed shall  
26 commence, such information as may be necessary to effectively  
27 locate and identify the multiple dwelling for which the exemption is  
28 claimed, and a statement of the number of rental dwelling units in  
29 the multiple dwelling for which the exemption is claimed.

30 (2) For the purposes of P.L.1987, c.153 (C.2A:42-84.1 et seq.),  
31 the construction of a multiple dwelling shall be considered a single  
32 continuous process from the issuance of the construction permit to  
33 the completion of construction. A change in ownership, financing,  
34 or legal structure during the course of construction shall not create a  
35 new construction event, reset the date of the construction permit, or  
36 create a new opportunity to file a claim of exemption pursuant to  
37 this section.

38 b. The owner shall, at least 30 days prior to the date of the  
39 termination of the exemption period afforded pursuant to **【this act】**  
40 P.L.1987, c.153 (C.2A:42-84.1 et seq.), file with the municipal  
41 construction official a notice of the date of termination of the  
42 exemption period for the affected multiple dwelling.

43 c. If a municipality enforces a rent control or rent leveling  
44 ordinance, the municipality may require the owner of a building  
45 containing four or more dwelling units that is claiming or has  
46 claimed an exemption from the ordinance, or is not subject to the  
47 ordinance for any other reason, to periodically provide updated

1 information to the construction official for the purpose of verifying  
2 whether or not the exemption shall be continued.

3 d. (1) The exemption shall not be available unless an owner files  
4 a claim of exemption in strict compliance with subsection a. of this  
5 section prior to the completion of construction.

6 (2) The exemption shall attach by operation of law if the  
7 prerequisites established pursuant to P.L.1987, c.153 (C.2A:42-84.1  
8 et seq.) are satisfied.

9 (3) An owner who obtains ownership of a property after the  
10 completion of construction, shall not be provided with an  
11 exemption, regardless of whether the property has been provided  
12 with an exemption prior to the change in ownership. The  
13 exemption shall be available only to the original owner who filed a  
14 claim of exemption prior to the completion of construction.

15 e. In an initial claim of an exemption from a rent control or rent  
16 leveling ordinance, and in any dispute regarding the continuation of  
17 exemption status, the owner shall be responsible for providing  
18 sufficient documentation to clearly and convincingly demonstrate  
19 compliance with the requirements to obtain the exemption. A self-  
20 generated copy of a filing, absent a municipal date-stamp or other  
21 municipal record of receipt, shall not alone satisfy this burden.

22 f. The filing window established pursuant to this section shall  
23 be measured from the date of the completion of construction. A  
24 determination of whether or not a building shall obtain an  
25 exemption shall occur at the time of the completion of construction  
26 based on whether the original owner has satisfied the requirements  
27 of P.L.1987, c.153 (C.2A:42-84.1 et seq.). Once the completion of  
28 construction has occurred, an owner shall not be allowed to apply  
29 for or be able to claim an exemption. Rehabilitation, change in  
30 marketing, change in ownership, or any other subsequent event  
31 shall not create a new opportunity to claim an exemption. Only  
32 conversion from non-residential use of at least two years shall  
33 create new eligibility for consideration of awarding an exemption  
34 pursuant to P.L.1987, c.153 (C.2A:42-84.1 et seq.).

35 g. A municipal rent board shall determine whether an owner has  
36 satisfied the prerequisites of this section. If an owner has not  
37 satisfied the prerequisites of this section, the rent board shall not  
38 provide an exemption to the owner, and the municipal rent control  
39 or rent leveling ordinance shall apply by operation of law.

40 h. A tenant of a dwelling unit for which an exemption is claimed  
41 may petition the municipal rent board for a determination of  
42 whether the owner has satisfied the prerequisites of P.L.1987, c.153  
43 (C.2A:42-84.1 et seq.). The board shall render a determination  
44 within 90 days of receipt of a complete petition.

45 i. The provisions of P.L.1987, c.153 (C.2A:42-84.1 et seq.) shall  
46 apply to a claim of an exemption filed pursuant to a construction  
47 permit issued on or after the effective date of P.L.1987, c.153  
48 (C.2A:42-84.1 et seq.).



1 original intent in enacting P.L.1987, c.153 (C.2A:42-84.1 et seq.),  
2 as enhanced by the subsequent enactment of P.L.1999, c.291.

3 The bill provides that, where an initial mortgage loan has been  
4 obtained, the exemption period is to be limited to the term of the  
5 loan. If the loan documentation permits multiple amortization  
6 periods, the longest permitted period is to apply. An alternative 30-  
7 year default period is to be available only to an owner who has  
8 financed construction without a project-based mortgage.

9 The exemptions are not to be available unless dwelling units are  
10 constructed for rental occupancy. The bill clarifies that a building  
11 constructed for sale as individual dwelling units is not to qualify,  
12 regardless of whether any units are subsequently rented rather than  
13 sold.

14 Prior to entering into a lease, the bill requires the owner of an  
15 exempt multiple dwelling to furnish the prospective tenant with a  
16 written statement providing:

- 17 • a representation that building has qualified as a newly  
18 constructed multiple dwelling at the time of initial  
19 construction;
- 20 • the date of the completion of construction;
- 21 • whether an initial mortgage loan was obtained, and if so, the  
22 term of the loan;
- 23 • the date on which the exemption period is to terminate; and  
24 • the basis for calculating the termination date for the exemption  
25 period.

26 The bill specifies that an owner who fails to provide notice to a  
27 prospective tenant in compliance with the bill is not to be permitted  
28 to collect exempt rents from the tenant household occupying the  
29 rental unit for which the failure occurred, during the remainder of  
30 the time that at least one member of the same household continues  
31 to occupy the rental unit for which the failure occurred. The  
32 municipal rent control or rent leveling ordinance is to apply to that  
33 rental unit for the remainder of the occupancy.

34 The bill further provides that, if the notice provided by an owner  
35 contains a material misrepresentation, as described in the bill, the  
36 owner would be in violation of the New Jersey consumer fraud act  
37 (CFA), P.L.1960, c.39 (C.56:8-1 et seq.), which carries penalties of  
38 not more than \$10,000 for a first offense and not more than \$20,000  
39 for any subsequent offense. Additionally, violations of the CFA  
40 can result in cease and desist orders issued by the Attorney General,  
41 the assessment of punitive damages, and the awarding of treble  
42 damages and costs to the injured party.

43 The bill authorizes a tenant of a dwelling unit, for which an  
44 exemption has been claimed, to petition the municipal rent board  
45 for a determination of whether the owner has satisfied the bill's  
46 notice requirements. The board is to render a determination within  
47 90 days of receiving of a complete petition.

1       The bill permits a municipality to require the owner of a building  
2 containing four or more dwelling units that is claiming or has  
3 claimed an exemption, to periodically provide updated information  
4 to the construction official for the purpose of verifying whether or  
5 not the exemption is to be continued.

6       The bill provides that an owner who obtains ownership of a  
7 property after the completion of construction, is not to obtain an  
8 exemption, regardless of whether the property has obtained an  
9 exemption prior to the change in ownership. The exemption is to be  
10 available only to the original owner who filed a claim of exemption  
11 prior to the completion of construction.

12       In an initial claim of an exemption, and in any dispute regarding  
13 the continuation of exemption status, the owner is responsible for  
14 providing sufficient documentation to demonstrate compliance.  
15 The bill specifies that a self-generated copy of a filing, absent a  
16 municipal date-stamp or other municipal record of receipt, is not  
17 alone sufficient to satisfy this burden.

18       The bill specifies that, once the completion of construction has  
19 occurred, the opportunity to claim the exemption closes.  
20 Rehabilitation, change in marketing, change in ownership, or any  
21 other subsequent event is not to create a new opportunity to claim  
22 an exemption. Only conversion from non-residential use of at least  
23 two years is to create new eligibility for consideration for an  
24 exemption.

25       If an owner has not satisfied the prerequisites of claiming an  
26 exemption prior to the completion of construction, the bill provides  
27 that the rent board is not to provide an exemption to the owner. The  
28 bill authorizes a tenant of a dwelling unit for which an exemption is  
29 claimed to petition the municipal rent board for a determination of  
30 whether the owner has satisfied the requirements to claim an  
31 exemption prior to the completion of construction. The board is to  
32 render a determination within 90 days of receipt of a complete  
33 petition.

34       The bill specifies that an exemption from a municipal rent  
35 control or rent leveling ordinance is to apply only to the provisions  
36 of a municipal ordinance that directly limit the periodic or regular  
37 increases in the base rentals of dwelling units. The exemption is  
38 not to extend to any other administrative, disclosure, registration, or  
39 tenant protection requirement of a municipal rent control or rent  
40 leveling ordinance.

41       The bill expressly provides that a municipality may condition the  
42 right to any rent increase upon compliance with municipal  
43 requirements not preempted by P.L.1987, c.153 (C.2A:42-84.1 et  
44 seq.).

45       The bill is to take effect immediately and is to be applicable to a  
46 property constructed in accordance with a construction permit  
47 issued on or after June 25, 1987, the original effective date of  
48 P.L.1987, c.153 (C.2A:42-84.1 et seq.). However, the penalty

**S4833 STACK**

13

1 provision against the collection of exempt rents established for the  
2 failure to properly notice prospective tenants of an exemption is to  
3 take effect on the first day of the second month next following  
4 enactment of the bill, and is only to apply to the failure to provide  
5 proper notice on and after that date.