

## CHAPTER 133

AN ACT concerning rental housing emergencies and supplementing chapter 18 of Title 2A of the New Jersey Statutes.

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

C.2A:18-61.62 Issuance of "Notice of Rent Protection Emergency."

1. The Governor shall be empowered, whenever declaring a state of emergency, to determine whether the emergency will, or is likely to, significantly affect the availability and pricing of rental housing in the areas included in the declaration. If the Governor determines that unconscionable rental practices are likely to occur unless the protections afforded under P.L.2002, c.133 (C.2A:18-61.62 et seq.) are invoked, the Governor may issue a "Notice of Rent Protection Emergency" at any time during the declared state of emergency.

C.2A:18-61.63 Effect of issuance of "Notice of Rent Protection Emergency."

2. Whenever the Governor declares a state of emergency within certain areas of the State, and issues a "Notice of Rent Protection Emergency," the following shall apply:

a. Within a zone which includes the area declared to be in a state of emergency and, if so indicated in the Notice of Rent Protection Emergency extending a distance not to exceed 10 miles in all directions from the outward boundaries thereof, there shall be a presumption of unreasonableness given to a notice of increase in rental charges provided subsequent to the date of the declaration by a landlord to a tenant occupying premises which are utilized as a residence, when the proposed percentage increase in rent is greater than twice the rate of inflation as indicated by increases in the CPI for the immediately preceding nine-month period. For the purposes of this section, "CPI" means the annual average over a 12-month period beginning September 1 and ending August 31 of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), All Items Series A, of the United States Department of Labor (1957-1959 = 100), for the New York, NY-Northeastern New Jersey region.

b. Within a zone which includes the area declared to be in a state of emergency and, if so indicated in the Notice of Rent Protection Emergency extending a distance not to exceed 10 miles in all directions from the outward boundaries thereof, there shall be a limitation on the amount of rent which may be charged a tenant undertaking a new lease for residential premises during the duration of the declaration of a "Notice of Rent Protection Emergency" made pursuant to section 1 of P.L.2002, c.133 (C.2A:18-61.62). The amount of rent which may be charged shall be limited to the product of the fair market rental value of the premises prior to the emergency conditions and two times the rate of inflation as determined by the increase in the CPI for the immediately preceding nine month period. For the purposes of this section, "CPI" means the annual average over a 12-month period beginning September 1 and ending August 31 of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), All Items Series A, of the United States Department of Labor (1957-1959 = 100), for the New York, NY-Northeastern New Jersey region.

c. In the event that a landlord believes that the limitations on increases in rental charges imposed by a "Notice of Rent Protection Emergency" prevent the landlord from realizing a just and reasonable rate of return on the landlord's investment, the landlord may file an application with the Director of the Division of Consumer Affairs in the Department of Law and Public Safety for the purpose of requesting permission to increase rental charges in excess of the increases otherwise authorized under the "Notice of Rent Protection Emergency". In evaluating such an application, the director shall take into consideration the purposes intended to be achieved by P.L.2002, c.133 (C.2A:18-61.62 et seq.), and the "Notice of Rent Protection Emergency" and the amount of rental charges required to provide the landlord with a just and reasonable return. The Director shall promulgate rules and regulations in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the purposes of this act.

d. The provisions of subsections a. and b. of this section will serve to supplement, not replace, any existing local, State, or federal restrictions on rent increases for any dwelling units in residential buildings located within the zone described in subsections a. and b. of this section, and will only apply to those dwelling units where they cause a lowering of the maximum allowable rent increase or of the maximum reasonable rent increase.

e. The provisions of subsections a. and b. of this section shall cease to apply upon the expiration of the state of emergency, or upon the rescission of either the declaration of the state of emergency or the "Notice of Rent Protection Emergency."

C.2A:18-61.64 Report of violation, investigation, penalties.

3. a. A tenant or prospective tenant may report a violation of the provisions of P.L.2002, c.133 (C.2A:18-61.62 et seq.) to the Director of the Division of Consumer Affairs in the Department of Law and Public Safety. The director shall investigate any complaint within 10 days of receipt of the complaint.

b. If the director determines that a violation of this act has occurred:

(1) a penalty may be assessed against the landlord in an amount equal to six times the monthly rental sought to be imposed upon a tenant in contravention of the "Notice of Rent Protection Emergency"; or

(2) any penalties for violations of the New Jersey consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.) may be sought by the director.

c. Notwithstanding the provisions of subsections a. and b. of this section, a tenant shall have the right to petition a court of competent jurisdiction to terminate a lease containing a provision in violation of the provisions of P.L.2002, c.133 (C.2A:18-61.62 et seq.).

C.2A:18-61.65 Violations considered as consumer fraud.

4. Any violation of P.L.2002, c.133 (C.2A:18-61.62 et seq.) shall be considered a violation of the New Jersey consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.).

5. This act shall take effect immediately.

Approved December 24, 2002.