

CHAPTER 202

AN ACT concerning hotel and multiple dwelling inspections and registrations, and amending P.L.1967, c.76.

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

1. Section 12 of P.L.1967, c.76 (C.55:13A-12) is amended to read as follows:

C.55:13A-12 Certificate or registration; application; fee; annual certification; appointment of agent; notice of violation.

12. (a) (1) The owner of each hotel, or of each multiple dwelling occupied or intended to be occupied by three or more persons living independently of each other, shall file with the commissioner, upon forms provided by the commissioner, a certificate of registration. Each such certificate of registration shall be accompanied by a reasonable fee established by rule by the commissioner to cover the associated administrative costs and shall include such information as the commissioner shall prescribe to enforce the provisions of this law; provided, however, that in the case of a multiple dwelling, the information required shall be at least that required pursuant to section 2 of P.L.1974, c.50 (C.46:8-28). The established fee may be increased to the extent permitted under subsection (e) of section 13 of P.L.1967, c.76 (C.55:13A-13). Upon the receipt of said certificate of registration and fee, the commissioner shall forthwith validate and issue to the owner of such hotel or multiple dwelling a validated copy of the certificate of registration, which validated copy shall be kept posted by the owner of such hotel or multiple dwelling at all times in the lobby or other conspicuous place on the premises. The posted certificate shall be reasonably protected from removal, alteration, defacement or damage by the elements in such manner as the commissioner may prescribe.

(2) An owner required to file a certificate of registration pursuant to paragraph (1) of this subsection shall annually file, on or before July 1, or as established by rule by the commissioner, a certification confirming that the information on the certificate of registration is current and accurate. Each annual certification shall be accompanied by a reasonable fee established by rule by the commissioner to cover the associated administrative costs. Once established by rule, the fee may be increased to the extent permitted under subsection (e) of section 13 of P.L.1967, c.76 (C.55:13A-13).

(3) An owner required to file a certificate of registration pursuant to paragraph (1) of this subsection shall file an amended certificate of registration within 20 days after any change in the information required to be included thereon. Each amended certificate of registration shall be accompanied by a reasonable fee established by rule by the commissioner to cover the associated administrative costs. Once established by rule, the fee may be increased to the extent permitted under subsection (e) of section 13 of P.L.1967, c.76 (C.55:13A-13).

(b) The owner of each hotel, or of each multiple dwelling occupied or intended to be occupied by three or more persons living independently of each other shall appoint an agent for the purpose of receiving service of process and such orders or notices as may be issued by the commissioner pursuant to this act. Each such agent so appointed shall be a resident of the county in which the hotel or multiple dwelling is located or shall have an office in the county. If the agent is a corporation, it shall be licensed to do business in this State.

(c) In the case of any transfer of the ownership in any hotel, or of any multiple dwelling occupied or intended to be occupied by three or more persons living independently of each other, whether by sale, assignment, gift, intestate succession, testate devolution, reorganization, receivership, foreclosure or execution process, it shall be the duty of the new

owner thereof to file with the commissioner, within 20 days of said transfer, a certificate of registration pursuant to subsection (a) of this section, and to appoint an agent for the service of process pursuant to subsection (b) of this section.

(d) In any case whether the owner of a hotel or multiple dwelling subject to the provisions of this act has not fulfilled the requirements of this section, the commissioner shall notify the owner of the violation of this section and order that registration be accomplished within 30 days. The notice and order shall include an accurate restatement of the subsection with which the owner has not complied. If the owner has not complied with the order of the commissioner within 30 days, he shall be liable for a penalty of \$200.00 for each registration which the commissioner shall have ordered. The commissioner may issue a certificate to the clerk of the superior court that an owner is indebted for the payment of such penalty and thereupon the clerk shall immediately enter upon his record of docketed judgments the name of such owner, and of the State, a designation of the statute under which the penalty is imposed, the amount of the penalty so certified and the date such certification was made. The making of the entry shall have the same force and effect as the entry of the docketed judgment in the office of such clerk, and the commissioner shall have all of the remedies and maintain all of the proceedings for the collection thereof which may be had or taken upon the recovery of a judgment in a civil action, but without prejudice to the owner's right of appeal.

2. Section 13 of P.L.1967, c.76 (C.55:13A-13) is amended to read as follows:

C.55:13A-13 Inspection; fees.

13. (a) Each multiple dwelling and each hotel shall be inspected for the purpose of determining the extent to which each hotel or multiple dwelling complies with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated hereunder. The commissioner shall establish by regulation the frequency of inspections, which shall be conducted as follows:

(1) each hotel shall be inspected at least once every five years; and

(2) each multiple dwelling shall be categorized into the following tiers based upon the number of reinspections required to abate the violations that were served upon the owner following an initial inspection:

(i) a multiple dwelling in which no violations are found or all violations have been abated by the first reinspection shall be placed in the highest tier and shall next be inspected in seven years, and the inspection fee shall be due at that time;

(ii) a multiple dwelling in which all violations have been abated by the second or third reinspection shall be placed in the middle tier and shall next be inspected in five years, and the inspection fee shall be due at that time;

(iii) a multiple dwelling in which all violations have not been abated by the third reinspection shall be placed in the lowest tier and shall next be inspected in two years, and the inspection fee shall be due at that time.

(3) notwithstanding the provisions of paragraph (2) of this section to the contrary, if the commissioner determines that tiered inspection schedules do not adequately protect the health and safety of residents of multiple dwellings, the commissioner may, by regulation, require that cyclical inspections for multiple dwellings occur once every five years.

(b) Within 30 days of the most recent inspection, the owner of each hotel shall file with the commissioner, upon forms provided by the commissioner, an application for a certificate

of inspection. Said application shall include such information as the commissioner shall prescribe to enforce the provisions of this law. Said application shall be accompanied by a fee as follows: \$15 per unit of dwelling space for the first 20 units of dwelling space in any building or project, \$12 per unit of dwelling space for the 21st through 100th unit in any building or project, \$8 per unit of dwelling space for the 101st through 250th unit in any building or project, and \$5 per unit of dwelling space for all units over 250 in any building or project, except that in the case of hotels open and operating less than six months in each year the fee shall be one-half that which would otherwise be required, or, as the case may be, the fees established by rule for each of the foregoing pursuant to subsection (e) of this section. A certificate of inspection and the fees therefor shall not be required more often than once each inspection cycle.

Additionally, there shall be reinspection fees for hotels in the amount of \$10 for each dwelling unit reinspected or, as the case may be, the fees established by rule for each of the foregoing pursuant to subsection (e) of this section.

Within 30 days of the most recent inspection of any multiple dwelling occupied or intended to be occupied by three or more persons living independently of each other, the owner of each such multiple dwelling shall file with the commissioner, upon forms provided by the commissioner, an application for a certificate of inspection. Said application shall include such information as the commissioner shall prescribe to enforce the provisions of this law. Said application shall be accompanied by a fee of \$33 per unit of dwelling space for the first 7 units in any building or project, \$21 per unit of dwelling space for the 8th through the 24th unit in any building or project, \$18 per unit for the 25th through the 48th unit in any building or project, and \$12 per unit of dwelling space for all units of dwelling space over 48 in any building or project, provided that the maximum total fee for owner-occupied three-unit multiple dwellings shall be limited to \$65 for owners having a household income that is less than 80 percent of the median income for households of similar size in the county in which the multiple dwelling is located, and the maximum total fee for owner-occupied four-unit multiple dwellings shall be limited to \$80 for owners having a household income that is less than 80 percent of the median income for households of similar size in the county in which the multiple dwelling is located, or, as the case may be, the fees established by rule for each of the foregoing pursuant to subsection (e) of this section. A certificate of inspection and the fees therefor shall not be required more often than once each inspection cycle.

Additionally, there shall be reinspection fees for multiple dwellings in the amount of \$40 for each dwelling unit reinspected, or, as the case may be, the fees established by rule pursuant to subsection (e) of this section, but only after the first reinspection.

The commissioner may waive the inspection fee for any unit upon a finding that the unit has been thoroughly inspected within the previous 12-month period under a municipal ordinance requiring inspection upon change of occupancy in accordance with the maintenance standards established by the commissioner under P.L.1967, c.76 (C.55:13A-1 et seq.), and has received a municipal certificate of occupancy as a result of that inspection.

If the commissioner finds that (1) a building has been thoroughly inspected prior to resale since the most recent inspection in accordance with this section, (2) the inspection prior to resale was conducted by the municipality in accordance with the maintenance standards established by the commissioner under P.L.1967, c.76 (C.55:13A-1 et seq.), and (3) a municipal certificate of occupancy was issued as a result of that inspection, the commissioner may accept the inspection done prior to resale in lieu of a current inspection under this section. If the commissioner accepts an inspection prior to resale in lieu of a current

inspection, no fee shall be charged for any inspection done by the commissioner within the years remaining in the applicable inspection cycle after the date of the inspection so accepted.

(c) If the commissioner determines, as a result of the most recent inspection of any hotel or multiple dwelling as required by subsection (a) of this section, that any hotel or multiple dwelling complies with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated hereunder, then the commissioner shall issue to the owner thereof, upon receipt of the application and fee as required by subsection (b) of this section, a certificate of inspection. Any owner to whom a certificate of inspection is issued shall keep said certificate posted in a conspicuous location in the hotel or multiple dwelling to which the certificate applies. The certificate of inspection shall be in such form as may be prescribed by the commissioner.

The commissioner may, upon finding a consistent pattern of compliance with the maintenance standards established under P.L.1967, c.76 (C.55:13A-1 et seq.) in at least 20 percent of the units in a building or project, issue a certificate of inspection for the building or project, in which case the inspection fee shall be charged on the basis of the number of units inspected.

The commissioner may by rule establish standards for self-inspection by condominium associations exercising control over buildings of not more than three stories, constructed after 1976, and certified by the local enforcing agency having jurisdiction as being in compliance with the Uniform Fire Code promulgated pursuant to P.L.1983, c.383 (C.52:27D-192 et seq.), in which at least 80 percent of the dwelling units are occupied by the unit owners. The commissioner shall issue a certificate of acceptance, which shall be in lieu of a certificate of inspection, upon acceptance of any such self-inspection and upon payment of a fee of \$25.

(d) If the commissioner determines, as a result of the most recent inspection of any hotel or multiple dwelling as required by subsection (a) of this section, that any hotel or multiple dwelling does not comply with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated thereunder, then the commissioner shall issue to the owner thereof a written notice stating the manner in which any such hotel or multiple dwelling does not comply with P.L.1967, c.76 (C.55:13A-1 et seq.) or regulations promulgated thereunder. Said notice shall fix such date, not less than 60 days nor more than 180 days, on or before which any such hotel or multiple dwelling must comply with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated thereunder. If any such hotel or multiple dwelling is made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated thereunder on or before the date fixed in said notice, then the commissioner shall issue to the owner thereof a certificate of inspection as described in subsection (c) of this section. If any such hotel or multiple dwelling is not made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated thereunder on or before the date fixed in said notice, then the commissioner shall not issue to the owner thereof a certificate of inspection as described in subsection (c) of this section, and shall enforce the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) against the owner thereof.

(e) The commissioner shall annually review the cost of implementing and enforcing P.L.1967, c.76 (C.55:13A-1 et seq.), including the cost to municipalities of carrying out inspections pursuant to section 21 of P.L.1967, c.76 (C.55:13A-21), and shall establish by rule, not more frequently than once every three years, such fees as may be necessary to cover the costs of such implementation and enforcement; provided, however, that any increase or

decrease shall be applied as a uniform percentage to each category of fee established herein, and provided, further, that the percentage amount of any increase shall not exceed the percentage increase in salaries paid to State employees since the then current fee schedule was established. The commissioner shall provide by rule to owners the option of paying inspection fees in installments in the form of an annual fee. The commissioner shall annually prepare and file with the presiding officers of the Senate and General Assembly and the legislative committees having jurisdiction in housing matters a report setting forth the amounts of fees and penalties received by the Bureau of Housing Inspection, the cost to the bureau of enforcing P.L.1967, c.76 (C.55:13A-1 et seq.), and information concerning the productivity of the bureau. Copies of the report shall also be submitted to the Office of Administrative Law for publication in the New Jersey Register. If in any State fiscal year the fee revenue received by the bureau exceeds the cost of enforcement of P.L.1967, c.76 (C.55:13A-1 et seq.), the excess revenue shall be distributed pro rata to persons who paid inspection fees during that fiscal year. Such distribution shall be made within three months after the end of the fiscal year.

(f) Except as otherwise provided in section 2 of P.L.1991, c.179 (C.55:13A-26.1), the fees established by or pursuant to the provisions of this section are dedicated to meeting the costs of implementing and enforcing P.L.1967, c.76 (C.55:13A-1 et seq.) and shall not be used for any other purpose. All receipts in excess of \$2,200,000 are hereby appropriated for the purposes of P.L.1967, c.76 (C.55:13A-1 et seq.).

3. Section 20 of P.L.1967, c.76 (C.55:13A-20) is amended to read as follows:

C.55:13A-20 Service of notices, rules, decision, orders.

20. (a) Notices, rules, decisions, and orders required or permitted to be issued and served pursuant to P.L.1967, c.76 (C.55:13A-1 et seq.) shall be served as follows:

(1) On the owner:

(i) By mailing same by certified or ordinary mail to the person designated as owner or agent on the certificate of registration or in the municipal tax records or in the records of the Department of the Treasury; or

(ii) By serving same on the owner, or upon a person authorized to accept service on behalf of the owner in a civil matter, in accordance with the Rules of Court.

(2) On the occupant:

(i) By mailing same by certified or ordinary mail to said occupant;

(ii) By serving same on the Department of the Treasury, who shall be deemed the owner's agent for service of process, provided however, that reasonable efforts have first been made to serve the owner or his agent by certified mail and that a copy of such notice is posted in a conspicuous location on the premises. "Conspicuous location" shall include the walls of the front vestibule or in any common foyer or hallway immediately inside the main front entrance; or

(iii) By leaving same at the dwelling unit of the occupant with a competent member of the household of the age of 14 or over.

(b) The date of service shall be considered the date of personal service, the date of other method of service authorized under this section, or the date of the third day after mailing, whichever occurs first.

4. This act shall take effect immediately and shall be first applicable to the next new inspection cycle for a hotel or multiple dwelling following the date of enactment.

Approved August 5, 2019.