

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, No. 3361

STATE OF NEW JERSEY

DATED: JUNE 13, 2024

The Assembly Housing Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 3361.

This Assembly Committee Substitute would limit the amount a landlord may increase the rent on a tenant of a dwelling site within a manufactured home park, upon which the tenant is permitted to install a modular or manufactured home, as defined in the bill.

The bill prohibits a landlord, as defined in the bill, of a covered dwelling site, from increasing the rent over the course of a 12-month period by more than two percent. The bill defines the term "covered dwelling site" to mean a parcel of land within a manufactured home park that is leased to the owner of a modular or manufactured home for living and dwelling purposes. Under the bill, "rent" includes lot fees, including license fees, charged by a landlord to a tenant, in addition to tax surcharge costs passed on to the tenant, and any other special expenses.

The bill provides, with limited exceptions, that if the landlord increases the rent in excess of the bill's limitation, the applicable rent for the duration of the present lease term, or subsequent lease term if the present term is month-to-month, is to be the rent for the year or term preceding the violation. The bill's limitations would function in addition to the existing prohibition on unconscionable rent increases pursuant the Anti-Eviction Act, P.L.1974, c.49 (C.2A:18-61.1 et seq.), and would permit a tenant to assert the violation as a defense to an eviction as an unconscionable rent increase.

A violation of the bill would:

(1) permit a tenant to petition the court to terminate a lease or agreement in violation of the bill, and to recover reasonable attorney's fees or expenses; and

(2) subject a landlord to a private cause of action, brought at the discretion of the tenant, who would be permitted to recover \$500 for a first offense by the landlord, and \$1,000 for a second and any subsequent offense by the landlord, in addition to reasonable attorney's fees or expenses.

A landlord would be subject to the penalties set forth in the bill for each violation against each tenant, brought at the tenant's discretion.

The bill permits a landlord to petition the Commissioner of Community Affairs (commissioner) to request approval to increase the rent on a covered dwelling site by demonstrating that the present rental income and additional charges from the manufactured home park are insufficient to cover the costs of tax increases, assessments, or maintenance to the manufactured home park. The bill permits the commissioner, after a hearing, to grant the landlord a rent increase sufficient to meet the landlord's requirements or needs, after consideration of: the proofs presented, the physical condition of the manufactured home park, the landlord's profitability with and without the proposed rent increase, the arguments presented by affected tenants, and the relative bargaining position of the parties. The bill requires a landlord petitioning the commissioner for a rent increase to:

- prior to filing the petition, post notice of the petition setting forth its basis in a conspicuous place in and about the manufactured home park;
- prior to filing the petition, serve each affected tenant personally, or by certified mail, with the petition to be filed with the commissioner;
- notify each affected tenant personally, or by certified mail, of the hearing date set by the commissioner, and
- post notice of the hearing in a conspicuous place in the manufactured home park for at least 10 days prior to the date of the hearing.

The bill would take effect on the first day of the third month following the date of enactment, and be applicable to tenancies commencing on or after the effective date of the bill. The commissioner would be permitted to take anticipatory action necessary to effectuate the provisions of the bill.