

ASSEMBLY ENVIRONMENT AND SOLID WASTE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 4783

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 8, 2022

The Assembly Environment and Solid Waste Committee reports favorably and with committee amendments Assembly Bill No. 4783.

This bill, as amended by the committee, requires sellers of real property and landlords to make certain notifications regarding flooding.

Specifically, the bill requires landlords to notify their tenants if the leased premises have been determined to be located in the FEMA Special Flood Hazard Area or Moderate Risk Flood Hazard Area, and if the landlord has actual knowledge that the rental premises or any portion of the parking areas of the real property containing the rental premises have been subjected to flooding. The bill requires the Department of Community Affairs (DCA) to promulgate a model notice to be used by landlords to provide prospective tenants with information concerning flood information and risks. The bill also requires landlords to notify tenants of the availability of insurance available for renters through the National Flood Insurance Program.

In addition, the bill requires sellers of real property located in this State to disclose, in writing, whether the property is located in the FEMA Special or Moderate Risk Flood Hazard Area, and any actual knowledge of the seller of the property regarding flood risks that are present on the property. The bill requires the Department of Community Affairs add to existing disclosure requirements and forms used by sellers of real property to provide purchasers of property with information concerning flood information and risks.

The bill requires the DCA, in consultation with the Department of Environmental Protection (DEP), to prepare a notification, to be distributed to purchasers of real property and in the State, that Statewide flood risks are increasing and that a purchaser or tenant may review these risks by going to a website that the DEP is required by the bill to create and update with current and scientifically-supported information. All notifications required pursuant to the bill would be required to be provided to the purchaser or tenant in writing before the purchaser or tenant becomes obligated under any contract for the purchase or lease of the property.

Finally, the bill provides that if a landlord violates the notification requirements established under the bill, and the tenant suffers a substantial loss or damage to personal property due to flooding, the tenant may terminate the lease and pursue legal remedies.

COMMITTEE AMENDMENTS

The committee amendments to the bill:

(1) revise the requirements for the notifications that landlords must provide to tenants pursuant to the bill, including providing that the notice may be provided prior to the signing of a lease, rather than at the time of application, and authorizing the notice to be included as a separate rider to a written lease or lease renewal;

(2) clarify that landlords are required, prior to lease signing or renewal, to disclose whether the property is located in the FEMA Special Flood Hazard Area or Moderate Risk Flood Hazard Area, and whether the landlord has actual knowledge that certain areas of the property have been subjected to flooding;

(3) require the DEP to include information on its website to help landlords and property owners provide the disclosures required by the bill;

(4) require disclosure by property owners that the property is in the FEMA Special or Moderate Risk Flood Hazard Area to not take effect until after the DEP has established a look-up tool to facilitate those disclosures;

(5) revise the circumstances under which a tenant suffers a substantial loss or damage to personal property due to flooding that entitles the tenant to terminate the lease and pursue legal remedies;

(6) clarify that the DCA is required to adopt rules and regulations to implement the bill's provisions within 90 days after its enactment;

(7) clarify that the bill's notification requirements for landlords and sellers of real property would go into effect 90 days after the DCA adopts rules and regulations to implement the bill; and

(8) correct typographical errors and make clarifying changes.