ASSEMBLY COMMERCE, ECONOMIC DEVELOPMENT AND AGRICULTURE COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 3361

STATE OF NEW JERSEY

DATED: SEPTEMBER 12, 2024

The Assembly Commerce, Economic Development and Agriculture Committee reports favorably Assembly Bill No. 3361 ACS.

This bill would establish a Statewide two percent cap on the amount an owner or operator of a manufactured home park may increase the rent charged to a tenant of a covered dwelling site within the manufactured home park from one year to the next. This limitation would not apply to the initial rental amount an owner or operator of a park may charge to a new tenant of the covered dwelling site. The bill would also prohibit a tenant of a covered dwelling site from subleasing the site by more than two percent over the rent charged during the prior 12-month period.

Under the bill, if a landlord (the owner or operator of a manufactured home park) attempts to increase a tenant's rent in excess of the bill's limitation, the increase would not take effect and the applicable rent for the lease term would be the rent charged prior to the attempted rent increase.

The bill authorizes a tenant to seek termination of a lease or agreement in court, if the lease or agreement contains a provision that violates the bill, and permits a tenant to recover reasonable attorney's fees or expenses. Additionally, the bill authorizes a tenant to bring a private cause of action against a landlord for violating a provision of the bill, and would enable a tenant to recover $500 from the landlord for a first offense by the landlord, $1,000 from the landlord for a second and any subsequent offense, in addition to reasonable attorney's fees or expenses. A landlord would be subject to these penalties for each violation against each tenant.

The bill establishes a procedure through which a landlord may seek approval to increase rent above the bill's annual two percent rental increase limitation. Under the bill, a landlord may petition the Commissioner of Community Affairs to approve a rent increase 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 provides that the commissioner is to hold a hearing on

the landlord's request, and after considering specific relevant factors, may grant the landlord a rent increase sufficient to meet the landlord's requirements or needs. A landlord who petitions the commissioner for approval to increase rent above the bill's annual two percent limitation is required to provide notice of the petition by: posting notice of the petition in a conspicuous place in and about the manufactured home park; serving each affected tenant personally or by certified mail; notifying each affected tenant personally, or by certified mail, of the hearing date set by the commissioner; and posting notice of the hearing in a conspicuous place in the manufactured home park for at least 10 days prior to the date set for 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 that date.