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P U B L I C H E A R I N G

before

ASSEMBLY COMMERCE, INDUSTRY AND PROFESSIONS COMMITTEE

on

Assembly Bills 58, 232, 284,
940, 943, 946, 947, 951, 953,
954, 1048 and 1060.
(LANDLORD-TENANT)

Held:
March 5, 1974
1100 Raymond Boulevard
Newark, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Byron M. Baer (Chairman)
Assemblyman Martin A. Herman
Assemblyman Phillip M. Keegan
Assemblyman Robert M. Ruane
Assemblywoman Barbara Curran
Assemblywoman Mary Keating Croce

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ASSEMBLY, No. 58

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1974 SESSION

By Assemblyman ORECHIO

AN ACT concerning landlord and tenant's rights, and amending N. J. S. 2A:18-53.

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

1. N. J. S. 2A:18-53 is amended to read as follows:

2A:18-53. Any lessee or tenant at will or at sufferance, or for a part of a year, or for 1 or more years, of any houses, buildings, lands or tenements, and the assigns, undertenants or legal representatives of such tenant or lessee, may be removed from such premises by the county district court of the county within which such premises are situated, in an action in the following cases:

a. Where such person holds over and continues in possession of all or any part of the demised premises after the expiration of his term, and after demand made and written notice given by the landlord or his agent, for delivery of possession thereof. *The landlord or his agent shall not make a demand for delivery of premises used for dwelling purposes unless he intends to withdraw the premises from the housing market for at least 1 year, or unless he or his spouse, son, son-in-law, daughter, daughter-in-law, father, mother, grandfather, grandmother, brother or sister intend to occupy the premises, or unless he can satisfy the court of the reasonableness of his demand and that the tenant shall suffer no hardship as a result thereof.* The notice shall be served either personally upon the tenant or such person in possession by giving him a copy thereof or by leaving a copy of the same at his usual place of abode with a member of his family above the age of 14 years.

b. Where such person shall hold over after a default in the payment of rent, pursuant to the agreement under which the premises are held.

c. Where such person (1) shall be so disorderly as to destroy the peace and quiet of the landlord or the other tenants or occupants

28 living in said house or the neighborhood, or (2) shall willfully
29 destroy, damage or injure the premises, or (3) shall constantly
30 violate the landlord's rules and regulations governing said
31 premises, provided, such rules have been accepted in writing by
32 the tenant or are made a part of the lease; or (4) shall commit any
33 breach or violation of any of the covenants or agreements in the
34 nature thereof contained in the lease for the premises where a
35 right of re-entry is reserved in the lease for a violation of such
36 covenants or agreements, and shall hold over and continue in
37 possession of the demised premises or any part thereof, after the
38 landlord or his agent for that purpose has caused a written notice
39 of the termination of said tenancy to be served upon said tenant,
40 and a demand that said tenant remove from said premises within
41 3 days from the service of such notice. The notice shall specify
42 the cause of the termination of the tenancy, and shall be served
43 either personally upon the tenant or such person in possession by
44 giving him a copy thereof, or by leaving a copy thereof at his
45 usual place of abode with some member of his family above the
46 age of 14 years.

1 2. This act shall take effect immediately.

ASSEMBLY, No. 232

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1974 SESSION

By Assemblyman BARBOUR

AN ACT to amend "An act concerning leasehold estates in relation to deposits to secure performance of leases, and supplementing chapter 8 of Title 46 of the Revised Statutes," approved January 8, 1968 (P. L. 1967, c. 265).

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

1. Section 3 of P. L. 1967, c. 265 (C. 46:8–21) is amended to read as follows:

3. Any owner or lessee turning over to his or its grantee, assignee, or to a purchaser of the leased premises at a foreclosure sale the amount of such security deposit, plus the tenant's portion of the interest earned thereon, is hereby relieved of and from liability to the tenant or licensee for the repayment thereof; and the transferee of such security deposit, plus the tenant's portion of the interest earned thereon, is hereby made responsible for the return thereof to the tenant or licensee, in accordance with the terms of the contract, lease, or agreement unless he or it shall thereafter and before the expiration of the term of the tenant's lease or licensee's agreement, transfer such security deposit *with any accrued interest* to another, pursuant to section 2 hereof and give the requisite notice in connection therewith as provided thereby.

2. This act shall take effect immediately.

ASSEMBLY, No. 284

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1974 SESSION

By Assemblyman ESPOSITO

AN ACT to amend "An act concerning leasehold estates in relation to deposits to secure performance of leases, and supplementing chapter 8 of Title 46 of the Revised Statutes," approved January 8, 1968 (P. L. 1967, c. 265).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*
1 1. Section 1 of P. L. 1967, c. 265 (C. 46:8–19) is amended to read
2 as follows:
3 1. Whenever money or other form of security shall be deposited
4 or advanced on a contract, lease or license agreement for the use
5 or rental of real property as security for performance of the con-
6 tract, lease or agreement or to be applied to payments upon such
7 contract, lease or agreement when due, such money or other form
8 of security, until repaid or so applied including the tenant's portion
9 of the interest earned thereon as hereinafter provided, shall con-
10 tinue to be the property of the person making such deposit or ad-
11 vance and shall be held in trust by the person with whom such
12 deposit or advance shall be made for the use in accordance with
13 the terms of the contract, lease or agreement and shall not be min-
14 gled with the personal property or become an asset of the person
15 receiving the same. The person receiving money so deposited or
16 advanced shall deposit such money in a banking institution or sav-
17 ings and loan association in this State insured by an agency of the
18 Federal Government in an account bearing interest at the rate cur-
19 rently paid by such institutions and associations on time or sav-
20 ings deposits and shall thereupon notify in writing each of the
21 persons making such security deposit or advance, giving the name
22 and address of the banking institution in which the deposit of
23 security money is made, and the amount *and date* of such deposit.
24 All of the money so deposited or advanced may be deposited by
25 the person receiving the same in one interest-bearing account as
26 long as he complies with all the other requirements of this act.

27 The person receiving money so deposited or so advanced shall be
28 entitled to receive as administration expenses, a sum equivalent
29 to 1% per annum thereon which shall be in lieu of all other admin-
30 istrative and custodial expenses. The balance of the interest paid
31 thereon by such banking institution or savings and loan association,
32 hereinafter referred to as tenant's portion, shall belong to the per-
33 son making the deposit or advance and shall be credited toward the
34 payment of rent due on the renewal or anniversary of said tenant's
35 lease.

36 In the event the person receiving a security deposit fails to notify
37 the tenant of the name and address of the banking institution or
38 savings and loan association in which the deposit of such security
39 is made, and the amount thereof, within 30 days after receipt of
40 same from the tenant, the tenant may give written notice to the
41 person receiving the same that such security money be applied on
42 account of rent payment or payments due or to become due from
43 the tenant, and thereafter the tenant shall be without obligation
44 to make any further security deposit during the term of his lease
45 and the person receiving the money so deposited shall not be en-
46 titled to make further demand for a security deposit.

1 2. This act shall take effect 45 days after enactment.

ASSEMBLY, No. 940

STATE OF NEW JERSEY

INTRODUCED JANUARY 24, 1974

By Assemblymen BAER, HYNES, MARTIN, GLADSTONE and CONTILLO

Referred to Committee on Commerce, Industry and Professions

AN ACT regarding the execution of court-ordered evictions amendings N. J. S. 22A:2–38 and supplementing chapter 42 of Title 2A of the New Jersey Statutes.

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

1. This act shall be known and may be cited as "The Fair Eviction Notice Act."

2. In any proceeding for the summary dispossession of a tenant, except a proceeding pursuant to N. J. S. 2A:18–53 b. in which the tenant is present in court, warrant for possession issued by a court of appropriate jurisdiction:

a. shall include a notice to the tenant of any right to apply to the court for a stay of execution of the warrant; and

b. shall be executed not earlier than the third day following the day of personal service upon the tenant by the appropriate court officer. In calculating the number of days hereby required, Saturday, Sunday and court holidays shall be excluded; and

c. shall be executed during the hours of 8 a.m. to 6 p.m., unless the court, for good cause shown, otherwise provides in its judgment for possession.

3. N. J. S. 22A:2–38 is amended to read as follows:

22A:2–38. From the fees mentioned in section 22A:2–37 of this Title, the clerk of the county district court shall pay to constables or sergeants-at-arms the following fees:

Serving summons *or notice* on one defendant, $0.60.

Serving summons on every additional defendant, $0.30.

Warrant to arrest, capias, or commitment, for each defendant served, $0.75.

9 Serving writ and summons in replevin, taking bond and any
10 inventory, against one defendant, $2.50. Against each additional
11 defendant, $0.30.
12 Serving writ in replevin when issued subsequent to service of
13 summons, $1.50.
14 Every execution, or any order in the nature of an execution on
15 a judgment or execution against the body, for each defendant, $0.75.
16 Writ of attachment and making inventory, $1.85.
17 Warrant for possession, $2.00.
18 For every mile of travel in serving any summons or capias
19 against the body, execution, subpena, notice or order, the distance
20 to be computed by counting the number of miles in and out, by
21 the most direct route from the place where process is issued, $0.10.
22 In addition to the foregoing, the following fees for constables
23 and sergeants-at-arms shall be taxed in the costs and collected on
24 execution, writ of attachment or order in the nature of an execution
25 on any final judgment, or on a valid and subsisting levy of an
26 execution or attachment which may be the effective cause in produc-
27 ing payment or settlement of a judgment or attachment.
28 For advertising property under execution or any order, $0.35.
29 For selling property under execution or any order, $0.50.
30 On every dollar of the first $500.00 collected on execution, writ of
31 attachment or any order, $0.10, and on every dollar of any amount
32 in excess thereof, $0.02.
1 4. This act shall take effect 60 days after its enactment.

STATEMENT

Eviction from one's residence on short notice can be a most traumatic experience for any person, particularly young children. This bill seeks to avoid such trauma by requiring due notice of an imminent eviction and restricting the time of actual eviction to prevent undue hardship and to guarantee that any person's right to apply for a stay of eviction will not be impaired by court being out of session.

ASSEMBLY, No. 943

STATE OF NEW JERSEY

INTRODUCED JANUARY 24, 1974

By Assemblymen BAER, HYNES, MARTIN, HOLLENBECK, VISOTCKY and CONTILLO

Referred to Committee on Judiciary

AN ACT concerning proceedings between landlord and tenant and supplementing chapter 42 of Title 2A of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*
1 1. This act shall be known and may be cited as the "No Cause
2 No Eviction Act."
1 2. No lessee or tenant at will or at sufferance of any multiple
2 dwelling, or the assigns or undertenants of such lessee or tenant,
3 may be removed from said premises in a civil action by the County
4 Court or the Superior Court of the county in which said premises
5 are situated, except upon the following grounds as good cause:
6 a. Where possession under a claim of title to real property is
7 at issue;
8 b. Where such person shall hold over after a default in the pay-
9 ment of rent pursuant to the rental agreement, whether oral or
10 written, under which the premises are held;
11 c. Where such person is using or knowingly permitting the
12 premises to be used for an illegal purpose;
13 d. Where such person, at the expiration of an oral or written
14 lease for 1 year or more, shall refuse to sign or renew the same
15 lease for a similar or shorter period for the same or higher rental
16 and upon the same terms, and providing the landlord agrees to a
17 consent order barring his rerental of the premises at a lower rental
18 for a period of at least 1 year;
19 e. Where such person shall willfully destroy or damage the
20 premises, shall be adjudged so disorderly as to destroy the peace
21 and quiet of the landlord or other tenants or occupants living in
22 the house or neighborhood, or shall commit a serious violation of
23 the landlord's rules and regulations governing said premises, pro-

24 vided such rules are reasonable and have been accepted in writing
25 by the tenant.
26 f. Where the owner plans to retire the housing unit for at least
27 1 year from the market or is ordered by a local, State or Federal
28 Government agency to vacate the premises in compliance with
29 P. L. 1967, c. 79 et seq. (C. 52:31B–1 et seq.).
30 g. Where the owner seeks in good faith to recover the premises
31 in order to alter or remodel it substantially, providing such altera-
32 tion or remodeling is not practicable with the tenant in possession
33 and providing the landlord agrees to a consent order guarantee-
34 ing to the tenant the exclusive right of first refusal of the improved
35 premises for a 3-day period upon any rerental thereof within a
36 year at a rental no greater than the true market value of the
37 premises or the actual rental paid by the first new tenant thereof;
38 h. Where the owner or his son, daughter, spouse, father, mother,
39 brother, sister, or in-law of the same relationship seeks personally
40 to occupy the premises for a period of at least 3 months, provided
41 the tenant is guaranteed in writing the right of first refusal of the
42 premises upon any rerental thereof within a year.
1 3. This act shall take effect immediately.

STATEMENT

This act limits the eviction of tenants by landlords to reasonable grounds. At present, there is no statutory limitation on the reasons a landlord may assert to evict a tenant. This situation has subjected tenants to arbitrary and unfair treatment regarding one of the fundamental necessities of life.

ASSEMBLY, No. 946

STATE OF NEW JERSEY

INTRODUCED JANUARY 24, 1974

By Assemblymen BAER, BURSTEIN, HYNES, MARTIN, HOLLENBECK, VISOTCKY and GLADSTONE

Referred to Committee on Commerce, Industry and Professions

AN ACT concerning real estate and supplementing Title 46 of the Revised Statutes.

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

1. The Legislature hereby finds and declares that an emergency exists in certain areas of the State due to acute shortages of housing space in multiple dwellings; that these shortages are further compounded by the conversion of rental housing space into condominiums or cooperatives which causes undue hardships on those tenants who cannot or do not want to become association members thereof and cannot relocate in other rental housing space; and that it is in the public interest to have some form of regulation on these conversions when a housing space emergency exists.

2. As used in this act:

a. "Housing space" means that portion of a dwelling, rented or offered for rent for living and dwelling purposes to one individual or family unit together with all privileges, services, furnishings, furniture, equipment, facilities and improvements connected with the use or occupancy of such portion of the property.

b. "Multiple dwelling" means any building or structure of one or more stories and any land appurtenant thereto, and any portion thereof, in which five or more units of dwelling space are occupied, or are intended to be occupied by five or more persons who live independently of each other; provided, that this definition shall not be construed to include any building or structure defined as a hotel, or registered as a hotel with the Commissioner of Community Affairs as provided in the "Hotel and Multiple Dwelling Law," P. L. 1967, c. 76 (C. 55:13A-1 et seq.), or occupied or intended to be occupied exclusively as such.

x

18 c. "Condominium" means a condominium as defined in the
19 "Condominium Act," P. L. 1969, c. 257 (C. 46:8B-1 et seq.).

1 3. Any owner who intends to convert a multiple dwelling into
2 a condominium or cooperative shall give the tenants 60 days' notice
3 of his intention to convert and the full plan of the conversion.
4 Duplicates of said notices shall be transmitted to the clerk of the
5 municipality. In the notice of intention to convert tenants shall
6 be notified of their right to purchase stock allocated to their hous-
7 ing space at a specified price.

1 4. No owner shall convert any housing space into a condominium
2 or cooperative unless he has obtained the written consent of 51%
3 of the tenants of the multiple dwelling in which such housing space
4 is located within a 6-month period; provided, however, that signa-
5 tures may be withdrawn or removed at any time until the time
6 when 51% of the tenants have signed up or at any other time up
7 to 3 days after the time signature was given.

1 5. If an owner is unable to collect 51% of the signatures required
2 for consent within the 6-month period, he shall not attempt to
3 secure consent for a period of 12 months from the last day of the
4 6-month period.

1 6. No conversion shall take place as long as any lease is in opera-
2 tion, with a term to run, unless the lessee has agreed to the con-
3 version.

1 7. The owner shall notify every new tenant of his application
2 and intent to convert; provided, however, that the 6-month removal
3 notice shall not be applicable.

1 8. Any owner who does not comply with the provisions of this
2 act or misrepresents any fact to any tenant shall be guilty of a
3 misdemeanor.

1 9. This act shall be known and may be cited as the "Fair Apart-
2 ment Conversion Control Act."

1 10. This act shall take effect immediately.

STATEMENT

Tenants in New Jersey are presently unprotected from the hardships associated with the forced conversion of rental apartment units to cooperatives or condominiums. This act will require such conversions to meet certain standards of fairness relating to notice, disclosure and majority consent of the tenants.

ASSEMBLY, No. 947

STATE OF NEW JERSEY

INTRODUCED JANUARY 24, 1974

By Assemblymen BAER, BURSTEIN, MARTIN, VISOTCKY, HOLLENBECK, GLADSTONE and CONTILLO

Referred to Committee on Commerce, Industry and Professions

AN ACT requiring disclosure of the identity of landlords, and supplementing the "Hotel and Multiple Dwelling Law," approved May 31, 1967 (P. L. 1967, c. 76) as said short title was amended by P. L. 1970, c. 138.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*
1 1. This act shall be known and may be cited as "The Landlord
2 Identity Disclosure and Registration Act."
1 2. The term "landlord," as used by this act, shall mean the
2 owners of all residential property occupied by a tenant under
3 either a written or oral lease and for either a term or month to
4 month, excepting only owner-occupied two-family structures.
1 3. Every landlord, as defined by this act, shall, within 30 days
2 following the effective date hereof, file with the clerk of the
3 municipality in which the residential rental unit or units are lo-
4 cated, a statement which shall contain the following information:
5 a. The name and address of the record owner of the premises;
6 b. The name and address of the registered agent of the owner,
7 if a corporation;
8 c. If the landlord is an individual or an unincorporated associa-
9 tion not residing in or having its principal place of business in the
10 State of New Jersey, the name and address of a person residing in
11 New Jersey designated by the landlord as authorized by him to
12 receive service of process in the State of New Jersey;
13 d. The name and address of the managing agent of the premises;
14 e. The name and address of the superintendent, janitor, cus-
15 todian or other person employed on the premises to provide regular
16 maintenance service, if any;

17 f. The name and address and telephone number of an individual
18 agent of the landlord who may be reached at any time by any
19 municipal official in the event of an emergency affecting the prem-
20 ises, including such emergencies as the failure of any essential
21 service or system in and on the premises;
22 g. The name and address of every holder of a recorded mortgage
23 on the premises.
24 Each landlord hereby required to file a registration statement
25 shall file an amended registration statement within 10 days after
26 any change in the foregoing information required to be included
27 thereon.
1 4. Within 30 days from the effective date hereof, every landlord,
2 as defined by this act, shall provide each of his tenants with a
3 written statement containing all of the information set forth in
4 section 3 hereof. Thereafter each new written lease executed by
5 said landlord or anyone on his behalf shall include therein the
6 aforesaid information, and at the commencement of each new
7 tenancy by oral lease, the landlord shall provide said tenant with a
8 written statement including said information. In the event of any
9 change in said information the landlord shall so advise each tenant
10 in writing within 10 days after said change.
1 5. Any landlord who fails either to register or to identify himself
2 or his agents to his tenants, as required by this act, shall be pro-
3 hibited from asserting any defense relating to personal jurisdiction
4 or service of process in any landlord-tenant proceeding, provided
5 the tenant shall have made a reasonable effort to effect service of
6 process on such owner.
1 6. The right of the tenant to know the identity and address of
2 his landlord may not be waived by any statement or act of the
3 tenant.
1 7. Any owner who shall violate any provision of this act shall be
2 liable to a penalty of not more than $200.00 for each offense re-
3 coverable by the State in a civil action by a summary proceeding
4 under the "Penalty Enforcement Law" (N. J. S. 2A:58-1 et seq.).
1 8. This act shall take effect immediately.

STATEMENT

Court proceedings in landlord-tenant cases are frequently obstructed by complainants' inability to serve process on landlords whose identity or address is unkown. Similarly, tenants frequently

are obstructed in informing a landlord that required or agreed-upon maintenance or services are not being provided by a building superintendent. Likewise, municipal officials are frequently obstructed in promptly reaching an agent of the landlord in the event of any emergency at the premises. This act would alleviate these problems by requiring any tenants to be provided with the name and address of both the landlord and any representative designated by the landlord to receive process. It would also prevent any landlord from hiding his identity or address and then getting any proceeding against him dismissed by a court because the complainant was thus unable to serve process.

ASSEMBLY, No. 951

STATE OF NEW JERSEY

INTRODUCED JANUARY 24, 1974

By Assemblymen BAER, MARTIN, HOLLENBECK,

VISOTCKY, GLADSTONE and CONTILLO

Referred to Committee on Commerce, Industry and Professions

AN ACT concerning process service in summary dispossession cases and supplementing chapter 18 of Title 2A of the New Jersey Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*
1 1. This act shall be known and may be cited as "The Fair Tenant
2 Process Service Act."
1 2. In all court proceedings for the summary dispossession of a
2 tenant, at the time of filing of the complaint, the landlord shall
3 deliver to the appropriate court officer, in addition to process for
4 personal service, two additional copies of process enclosed in un
5 sealed envelopes addressed to the tenant with one such envelope
6 prepared for ordinary mail, and one such envelope prepared for
7 certified mail return receipt requested, with sufficient postage
8 thereon for each, which envelopes shall be deposited in the mail by
9 the court officer. Where the landlord has knowledge of a tempo
10 rarily absent tenant's temporary mailing address in addition to the
11 permanent mailing address of any tenant, the aforesaid two addi-
12 tional copies of process enclosed in envelopes shall be provided by
13 the landlord for each address. No process shall be accepted by a
14 court officer for personal service in such proceedings unless accom-
15 panied by the envelopes heretofore required nor shall he make per-
16 sonal service until he has deposited the same in the mail. The
17 court shall not have personal jurisdiction over the tenant unless
18 there appears on the original of the process the court officer's nota-
19 tion of compliance with the mailing requirements hereof.
20 Where the landlord is entitled to costs, the cost of postage shall
21 be included as part of such costs.
1 3. No statement or act of a tenant shall be construed under any
2 circumstances to waive his right to the service of process provided
3 for by law.
1 4. This act shall take effect 90 days after the date of enactment.

STATEMENT

This bill seeks to end the common practice of "sewer service" in summary dispossession cases, whereby legal papers are not properly served on tenants, thus leading to default decisions in favor of landlords. Service of process by both regular and certified mail would guarantee a bona fide attempt to serve notice on tenants and would provide independent proof of service in disputes.

ASSEMBLY, No. 953

STATE OF NEW JERSEY

INTRODUCED JANUARY 24, 1974

By Assemblymen BAER, HYNES, MARTIN, HOLLENBECK, VISOTCKY, GLADSTONE and CONTILLO

Referred to Committee on Commerce, Industry and Professions

AN ACT concerning tenant safety and supplementing Title 55 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*
1 1. This act shall be known and may be cited as "The Tenant
2 Safety Act."
1 2. Any municipality may by ordinance require the owners or
2 operators of multiple dwellings with more than four residential
3 dwelling units to provide certain safety facilities upon a finding by
4 the municipal governing body that such facilities are necessary to
5 protect the safety of residents.
6 Any such ordinance may require the provision of any or all of
7 the facilities set forth herein for all multiple dwellings or for
8 various classes of multiple dwellings:
9 a. All multiple dwellings with more than four apartment units
10 served by a common exterior door may be required to provide (1)
11 bell or buzzer signals and voice intercommunication devices
12 between each apartment unit and any person immediately outside
13 a locked lobby door or any exterior front door; (2) front door lock
14 remote controls located in each apartment unit; (3) durable mirrors
15 capable of exposing any adult-sized person hiding in any corner or
16 part of any elevator, stairway, landing, hall or other common area
17 to any person about to enter in the proximity of such hiding place;
18 and (4) front door alarm systems connected either to the super-
19 intendent's office or to the front of the building and capable of
20 being activated by a distressed person immediately outside the
21 front door.
22 b. All multiple dwellings may be required to provide (1) self-
23 locking doors between any hallway or entranceway serving two or
24 more apartments and the exterior of the multiple dwelling; and
25 (2) peepholes in front and rear doors of individual apartment units

and in self-locking doors as required herein, except where windows provide equivalent visibility.

In addition to the safety features herein prescribed for multiple dwellings, a municipality may by ordinance require the installation of any further safety facilities authorized for such ordinances by the Commissioner of Public Safety.

3. Ordinances adopted pursuant to the authority granted by this act may provide for total exemption of particular multiple dwellings or reduction of the number or type of safety devices required for particular multiple dwellings (a) upon signed certification by the municipal chief of police that such devices or precautions are not required in the interest of the safety of residents of a particular building or buildings, or (b) upon signed certification to the municipal clerk by a majority of the tenants of a particular building or buildings that such devices or precautions are not required in the interest of their safety; however, such exemptions or reductions shall not be final and may be reconsidered at any time.

4. All expenses incurred by landlords to make any improvements mandated in ordinances passed pursuant to the authority granted by this act shall be recorded at the office of any on-site superintendent of any such multiple dwelling and at the management office of the landlord and made available for inspection on demand by any tenant or municipal governing body. Where the rental of a residential dwelling unit is regulated or limited by governmental authority, no landlord may charge an increase in rent for providing required additional facilities which shall exceed the actual amount paid to provide such facilities, prorated for each tenant over a 5-year period.

5. Ordinances adopted pursuant to the authority granted by this act may provide for fines not to exceed $100.00 for each day that a landlord shall remain in noncompliance with said ordinances. Fines shall be recoverable in a civil action before the municipal court by a summary proceeding under the Penalty Enforcement Law (N. J. S. 2A :58–1 et seq.).

6. This act shall take effect immediately.

STATEMENTS

Incidents of robbery, assault, mugging and rape have increased menacingly in both cities and suburbs and have become particularly common in apartment buildings. This bill affords needed protection to the public by enabling municipalities to require landlords to install certain safety devices in their buildings where a demonstrated need for further tenant protection exists.

ASSEMBLY, No. 954

STATE OF NEW JERSEY

INTRODUCED JANUARY 24, 1974

By Assemblymen BAER, HYNES, MARTIN, HOLLENBECK, VISOTCKY, GLADSTONE and CONTILLO

Referred to Committee on Commerce, Industry and Professions

AN ACT concerning landlord and tenant in relation to subleases, and supplementing chapter 8 of Title 46 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*
1 1. This act shall be known and may be cited as the "Fair Sub-
2 leasing Act."
1 2. As used in this act "rental agreement" means all agreements
2 between a landlord and tenant, written or oral, which establish or
3 modify the terms, conditions, rules, regulations or any other provi
4 sions concerning the use and occupancy of a dwelling unit.
5 "Multifamily dwelling" means any building or structure in
6 which three or more units of dwelling space are sold, rented or
7 leased for occupancy, or are occupied by three or more families
8 who live independently of each other and who do their cooking
9 upon the premises.
1 3. a. No written or oral agreement between tenant and landlord
2 shall restrict the right of any tenant in a multifamily dwelling to
3 sublet or assign his premises to a suitable subtenant or assignee.
4 b. The landlord shall retain the right to reject for reasonable
5 grounds any proposed subtenant or assignee as unsuitable, but
6 only on the basis of evidence that his tenancy would be significantly
7 less favorable to the landlord than the existing tenancy, according
8 to any of the following criteria:
9 (1) financial ability to meet rent obligation;
10 (2) number of persons in the proposed household;
11 (3) proposed commercial activity;
12 (4) proposed maintenance of pets;
13 (5) willingness of prospective tenant to assume the same terms
14 as are included in the existing rental agreement;

15 (6) written information signed by a previous landlord setting
16 forth abuses of other premises occupied by the prospective sub
17 tenant or assignee.

18 c. The tenant shall inform the landlord in writing of his desire to
19 sublet or assign this premises and provide the landlord with the
20 following information about each prospective subtenant or
21 assignee:

22 (1) the proposed new occupant's full name and age;

23 (2) whether the new occupant is proposed as a subtenant,
24 assignee or both;

25 (3) the proposed new occupant's occupation, place of employ-
26 ment and name and address of employer;

27 (4) the names of all persons who would normally reside in the
28 premises;

29 (5) whether or not the prospective new occupant proposes to
30 keep pets on the premises and the nature of such pets;

31 (6) whether or not the prospective new occupant proposes to
32 engage in commercial activity on the premises and the nature of
33 such commercial activity;

34 (7) the prospective occupant's familiarity with and willingness
35 to accept the terms of the existing rental agreement;

36 (8) the names and addresses of all landlords of the prospective
37 subtenant or assignee from whom he has leased or rented during
38 the prior 3 years, and if more than 3, any 3 of them;

39 (9) two credit references;

40 (10) any other reasonable information or filled-out forms ex-
41 pressly required for the purpose of subleasing or assignment in
42 the original rental agreement.

43 d. Where the original rental agreement requires submission of
44 filled-out information forms for the purpose of evaluating a pro-
45 posed subtenant or assignee, it shall be the responsibility of the
46 landlord to provide the tenant with such forms within 3 days of
47 receiving the tenant's notification of his desire to sublease or
48 assign his premises.

1 4. a. Within 15 days after the tenant has provided the landlord
2 with all required information, the landlord may reject the prospec-
3 tive new occupant by mailing to the tenant a written reply signed
4 by the landlord which shall contain one or more specific reasonable
5 grounds for the rejection. Such grounds shall be limited to the six
6 criteria enumerated in section 3 b.

b. If the landlord fails to render a decision to the tenant on the proposed new occupant within 15 days, or if his written reply fails to give reasonable grounds for rejecting any particular prospective occupant, the tenant may terminate the rental agreement by giving 30 days' written notice to the landlord within 90 days following the lapse of the 15-day reply period or the receipt of the rejection reply which fails to state any reasonable grounds for rejection.

c. In any proceeding in which the reasonableness of the landlord's rejection shall be in issue, the burden of showing reasonableness shall be on the landlord.

d. Thirty days after the end of the reply period, the rental agreement shall terminate. The tenant shall be subject to no damages, penalty or forfeiture of any part or all of his security deposit or any other payment for such termination.

e. The landlord shall return the tenant's security deposit in full according to the terms of the original rental agreement, but in no case later than 30 days following termination of the rental agreement by exercise of tenant option.

5. a. Where the landlord notifies the tenant of his willingness to accept one or more prospective occupants, the tenant shall be obliged to notify the landlord in writing of the identity of the person taking possession of his premises and the date when the new occupant's tenancy shall begin. Failure so to notify the landlord shall make the original tenant liable to continuation of his obligations under the original rental agreement.

b. Where a new occupant has been accepted by the landlord, no tenant shall be entitled to terminate his original rental agreement until after the new occupant has committed himself in writing to the landlord to abide by the terms of the original rental agreement and such other reasonable terms as the landlord may specify to protect himself from a tenancy significantly less favorable than the original tenancy.

6. a. For the purposes of this act, the tenant shall be considered to have discharged his obligation to contact the landlord if the required correspondence is mailed to the landlord at the address where the original rental agreement was signed, and, failing acceptance of mail at this address, if mailed to the address at which rent is received.

b. In any proceeding in which receipt of correspondence shall be at issue, certified mail receipts shall be considered to establish

9 presumption of delivery of the information or documents in
10 question.

1 7. This act shall be applicable to rental agreements made on or
2 after the date this act becomes operative.

1 8. This act shall take effect 60 days after its enactment.

STATEMENT

This bill would enable tenants to sublease their dwellings to subtenants whose qualifications are equivalent to the original tenant's.

A landlord would not be able to refuse subleasing as a means to gain extra money. A landlord would be able to reject without liability a less qualified subtenant. A qualified tenant could not be rejected unless the landlord were willing to release the original tenant from the lease.

ASSEMBLY, No. 1048

STATE OF NEW JERSEY

INTRODUCED JANUARY 31, 1974

By Assemblyman BAER

Referred to Committee on Commerce, Industry and Professions

AN ACT concerning truth-in-housing availability and supplementing "An act concerning consumer fraud, its prevention, and providing penalties therefor," approved June 9, 1960 (P. L. 1960 c. 39).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*
1 1. This act shall be known and may be cited as the "Truth-in-
2 Housing Availability Act."
1 2. It shall be an unlawful practice for any lessor or landlord of
2 residential dwelling units to misrepresent the availability of
3 housing space therein with the intent to deceive any prospective
4 tenant or lessee.
1 3. A rebuttable presumption of the intent of the lessor or landlord
2 to deceive a prospective tenant is established when:
3 a. A substantially false representation has been made to an
4 applicant by the landlord or his agent as to the terms of avail-
5 ability of the requested housing or that the requested housing is
6 unavailable;
7 b. The landlord or agent upon discovering the inaccuracy of his
8 previous misrepresentation of availability or the terms thereof
9 fails to make a bona fide effort to communicate the correct informa-
10 tion to all applicants so misinformed within the previous 1-month
11 period and fails to reserve in the sequence of original attempted
12 application the right of such applicants promptly to apply for
13 housing space in question; and
14 c. The landlord or his agent provides a substantially correct
15 representation to any subsequent applicant regarding the avail-
16 ability or terms of availability of housing denied to previous
17 applicants.
1 4. In addition to the penalties prescribed by the act to which
2 this act is a supplement, a landlord found guilty of misrepresenting

3 the availability of housing may be held liable for damages to any
4 person whom the court holds an aggrieved party in the mis-
5 representation.

1 5. This act shall not apply to owner-occupied two- and three-
2 family homes.

1 6. This act shall take effect 60 days after its enactment.

STATEMENT

The availability of housing is sometimes arbitrarily denied in an effort to induce a prospective tenant to offer the rental agent an under-the-table offer or bribe. This bill proscribes such deceptive practices.

ASSEMBLY, No. 1060

STATE OF NEW JERSEY

INTRODUCED JANUARY 31, 1974

By Assemblymen BAER, HOLLENBECK, MARTIN, CONTILLO and VISOTCKY

Referred to Committee on Commerce, Industry and Professions

AN ACT regarding the rights of tenants and landlords, and supplementing Title 46 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*
1 1. This act shall be known and may be cited as "The Truth-in-
2 Renting Act."
1 2. The Department of Community Affairs shall, as soon as
2 practicable following the effective date of this act and annually
3 thereafter, after public hearing, prepare a statement of the primary
4 legal rights and responsibilities of tenants and landlords of residen-
5 tial rental units and make such statement available at cost to the
6 public.
1 3. Every owner of a residential rental unit shall distribute one
2 copy of the annual statement to every tenant within 30 days after
3 it has been made available by the Department of Community
4 Affairs, and shall thereafter provide a copy of the current state-
5 ment to each new tenant at the time he assumes occupancy of the
6 premises. In addition, a copy of the current statement shall be
7 posted in a prominent and accessible place and in a common area
8 by the owner.
1 4. The current statement shall also be attached by the owner
2 to, and shall become a part of, every written lease for a residential
3 rental unit entered into after this act takes effect.
1 5. Failure to distribute, attach or post the official Department
2 of Community Affairs statement as required by this act shall
3 subject the landlord to a civil penalty of not more than $500.00
4 for each violation which shall be sued for and recovered by and in
5 the name of the Commissioner of the Department of Community
6 Affairs in a civil action by a summary proceeding under the
7 Penalty Enforcement Law (N. J. S. 2A:58-1 et seq.).

1 6. Any written lease which substantially misrepresents the pre-
2 rogatives of the landlord or denies the rights of the tenants shall
3 not be binding on the tenant and shall be unenforceable in the
4 courts of this State.

1 7. No waiver or refusal by a tenant of his right to receive a
2 copy of the Department of Community Affairs statement as
3 provided herein shall alter the responsibilities of the landlord
4 under any provision of this act.

1 8. This act shall not apply to owner-occupied two-family homes.

1 9. This act shall take effect immediately.

STATEMENT

The law presently provides fines to protect consumers from deception. This act attempts to afford similar protection to tenants in one of the areas where they are most frequently victimized: the misrepresentation by landlords of tenants' legal rights and responsibilities.

The State will define, in easily understood terms, the primary rights and responsibilities of tenants and landlords. If any landlord fails to distribute the State's statement of rights and responsibilities to tenants, or misrepresents tenants' rights in a rental agreement, such landlord will become liable to civil penalties and voiding of the rental agreement.

ASSEMBLYMAN BYRON M. BAER (Chairman): The public hearing of the Assembly Commerce, Industry and Professions Committee will come to order.

I am Assemblyman Byron Baer. Assemblyman Martin Herman, Assemblywoman Mary Keating Croce and Assemblyman Robert Ruane are here. They are members of the Committee.

This hearing is going to cover the following bills: Assembly 58, Assembly 232, Assembly 284, Assembly 940, Assembly 943, Assembly 946, Assembly 947, Assembly 951, Assembly 953, Assembly 954, Assembly 1048 and Assembly 1060, virtually all the landlord-tenant related legislation in this Committee presently and which we have been requested by sponsors to take action on at this time.

We are holding a general hearing on the whole area because of the relationship of these bills to one another and because of our belief that a hearing on this whole matter would be in the public interest.

In general, the Committee is trying to operate as openly as possible. For those of you who are interested in attending any of the regular meetings of the Committee, I would announce that all Committee meetings are open to the public. There will be no closed meetings of this Committee during this legislative session, dealing with any legislation whatsoever. This is the policy that the Chairman announced at the first meeting.

We are going to try to move as expeditiously as possible with all the witnesses that we have. We would have difficulty hearing all the witnesses if witnesses were not to confine themselves to 15 minutes. I would appreciate your cooperation on this. Any witnesses that have not yet contacted Mr. Bryan and put their names on the list to be heard today, please do so. If somebody comes in and Mr. Bryan does not happen to notice them and they happen to sit next to you, would you kindly inform them

to put their names on the list.

We are interested in any comments you have on any of these bills, for or against, or in terms of any specific changes or suggestions. The more specific your comments are, the more helpful they will be to us. Those of you who are attorneys or are otherwise experienced in the legal language here, if you have suggestions and can in addition propose any specific language where you are proposing changes, that would be appreciated too, either at this hearing or in the following week. It is certainly not required, but it would be helpful where that is possible.

We are interested in hearing all sides on all of these bills, so that the bills can reflect the maximum in fairness from the point of view of both the tenant and the landlord, and bring about improvements in our laws so as to reflect that maximum in fairness and equitableness to all.

Any comments from any members of the Committee before we begin?

I would also like to introduce Assemblywoman Barbara Curran who has also come and joined us.

The first witness will be Mr. Sam Herzog, speaking for the New Jersey Builders Association.

I might add, if it is not already clear, that we are not attempting to compartmentalize this hearing with a certain section on one bill and then proceeding to the next bill. Any witness, when they are testifying, can address themselves to all bills. For the sake of the record and to make it clear for us, we would appreciate it if you could indicate which bills you are referring to at any given time.

Proceed, Mr. Herzog.

S A M H E R Z O G:

My name is Sam Herzog and I am testifying on behalf of the Apartment House Council, an affiliate of the New Jersey Builders Association. I have built over 500 multi-family units, and presently own and manage these units. I am a former President of the New Jersey Builders Association and was a member of the Hotel and Multiple Dwelling Health and Safety Board; and presently serve as a member of the East Brunswick Rent Control Board.

Representatives of the Apartment House Council, a statewide group which represents the builders, owners and managers of apartments throughout the State, have reviewed each of the bills under consideration and have developed comments which we believe reflect the feeling of the apartment industry.

In some cases, we have grouped our comments on two bills when they deal with a similar subject, but we will comment on each measure specifically.

A 58, A 943

A 58 prescribes the reasons for which a landlord may demand the possession of an apartment and is actually an amendment to an existing statute.

Under the proposed amendment, a tenant could remain in an apartment, after the expiration of his lease, and after the landlord had made demand and given written notice for the apartment's possession,

unless the landlord can satisfy the court of the reasonableness of his demand and provided the tenant suffers no hardship as a result thereof.

A 943, euphemistically labeled the "No Cause, No Eviction Act," also attempts to spell out the valid causes for removal of a tenant and lists seven reasons.

In both cases, the door is left wide open for blatant abuses by tenants who may wish to create a lease "ad infinitum" by simply refusing to sign a renewal and remaining in the apartment on a month-to-month basis. By attempting to list the acceptable causes for removal of a tenant, the bills are, by necessity, terribly incomplete.

Under A 58, the tenant is virtually in a position to confiscate the unit. The burden of proof for removal of the tenant and possession of the unit is completely on the landlord and the landlord has the rather impossible task of also showing that the tenant has suffered no hardship as a result of this action. Valid and totally reasonable causes for removal of a tenant, e.g. perpetual delinquency with regard to rent, a change in status which affects credit liability, the taking in of boarders, etc., will now find the landlord in court, incurring unnecessary losses of money and time, in order to "prove" the reasonableness of such obvious causes. This is an example of the abuse that such a bill would not only encourage, but openly permit.

The seven causes for eviction, as listed in A 943, are but a fraction of the truly justifiable reasons that a landlord may have

for desiring removal of a tenant. Three such examples were given above in the discussion of A 58. This is just one of several oversights and deficiencies of the bill.

Other obvious examples are:

Section 2(d). This is an impractical demand and truly infringes on the landlord's basic business operation. Suppose a landlord offers to renew a tenant's lease at the same or higher rent, in accordance with all local ordinances, and the tenant refuses to renew, for any reason, and relocates in another apartment, moves out of the State or buys a home. If the apartment sits vacant for six months, the landlord would be unable to adjust his rents to meet a changing market. Isn't that what vacancies are supposed to accomplish --- a loose market forcing the landlord to keep his rents low?

In addition, this section would, through the inclusion of the phrase "and upon the same terms," preclude a landlord from ever being able to revise the terms of the tenancy upon renewal, in such basic areas as prohibitions and restrictions on tenant's behavior or the attachment of riders, even though permitted or required by local ordinance, involving payment of taxes, capital improvements, or allowable surcharges for as long as the tenant desires to renew.

The landlord-tenant relationship is a dynamic one, and to assume there are going to be no changes, as it goes on through the years, is an impractical consideration.

Section 2(e). This section opens the door to some very subjective and questionable decisions through the use of the word "adjudged." What is meant by "adjudged?" Who makes this judgement? And what about the word "disorderly?" The word has a common usage, but also a particular meaning when used in a legal sense. Must the tenant have been convicted under a Disorderly Persons Act? Who determines what constitutes a "serious" violation? When is a violation frivolous? And who decides whether a landlord's rule is reasonable?

These are just two of the examples of the fallacy of writing such a bill. Ironically, this bill is doubly incomplete, since it does not even begin to scrape the surface of the number of justifiable reasons for removal of a tenant, and yet, it is drafted in a manner that will foster a myriad of subjective judgments and unnecessary court cases.

Certainly there is a need to develop legislation which would prevent arbitrary and unfair removal of tenants. The Apartment House Council would be pleased to assist in the drafting of legislation which would spell out removal causes in a practical way. However, these bills are not the answer and we urge you to oppose both A 58 and A 943.

A 232, A 284

A 232 would require that anyone who sells an apartment, for which there is established a security deposit fund, must turn over the accrued interest on that fund, along with the deposit fund, to

the new owner. This bill has great merit, we support it wholeheartedly, and urge the Committee to do likewise.

A 284 requires landlords to give tenants notice of the date, as well as the amount, of the deposit or rent security in an appropriate banking institution.

At the present time, it is common practice for landlords to make the statement, regarding the amount and location of the security deposit, a part of every lease. It is actually a paragraph in the lease. Since it is already required by New Jersey law that the deposit be placed in an interest bearing account within 30 days of receipt, it is totally superfluous to require a statement indicating the date of deposit. Such a requirement would entail a separate and individual mailing to each tenant. This is added, and absolutely unnecessary, bookwork.

The protection under the existing statute is more than adequate. A 284 is nothing more than a mandate for additional paperwork and carries with it the strong possibility of creating unnecessary landlord/tenant antagonism. We urge the Committee to reject it as such.

A 940

While we agree in principle with the concept of mitigating the effect of evictions, we must oppose the bill as written. Although A 940 exempts cases of default where the tenant is in court, it is still incomplete.

The fact remains that the tenant who is in default, is ignoring his obligation. If a summary dispossess is begun and the tenant

further ignores his responsibility by not appearing in court, he is <u>protected</u> by A 940. Not only is he ignoring his responsibility to pay his rent, but he won't even make the effort or give the time to defend his actions.

In addition, the bill fails to recognize reasons other than non-payment of rent as causes for removal. I refer specifically to a disorderly tenant. One must assume that the court has found that the continued occupation of the unit by such an individual would be a severe danger to neighboring tenants. Certainly these innocent fellow tenants would be subject to trauma and shock by the continued occupancy of the unit by such a person.

Think of the possible danger that an antagonized,disorderly tenant might impose upon his neighbors if he had those weekends and holidays to remain in the apartment.

It should also be noted that, in cases where non-payment of rent is the reason for eviction proceedings, such proceedings are hardly a trauma or a shock, as the bill's statement suggests. In fact, the process is a long and tedious one.

Let us assume a tenant's rent is due on the first day of the month. Landlords give a "grace" period of from five to ten days. Even after filing with the court, there is a 15-30 day waiting period before the case comes to trial. And then it is not unusual for a judge to grant a 30-45 day extension for the tenant to raise the rent. Eviction can hardly be considered a trauma under these conditions.

A 946

This bill would require the consent of 51 percent of existing tenants before a rental dwelling could be converted to a condominium or cooperative.

Condominiums are not a sin. In fact, to more and more residents of New Jersey, they are rapidly becoming the only form of home ownership available. Conversion to condominium is also an effective method for preventing the decline of older units and preserving the housing stock, in our urban centers. The concept behind the bill is obvious --- the protection of the tenant --- and we agree that it is a sound principle.

However, the 51 percent requirement effectively stops conversions and is not the manner through which to achieve the goal of tenant protection.

First, a survey by the National Association of Home Builders indicates that even the most successful condominium conversions only hope to retain 25 percent of the existing tenants at the time of conversion. So there is no substance to the 51 percent figure, other than the fact that it is one more than half.

Second, the owner can be "bounced" back and forth under the provisions of Sections 4 and 5, which concern the collection of signatures of existing tenants. Since signatures may be withdrawn any time within the six-month period, an owner can have 51 percent today and assume that he may proceed with conversion --- an expensive

and time-consuming process --- only to find that next week, he has 48 percent and must find additional signitors.

The concept of protecting existing tenants is sound, but the mechanism as provided in this bill would result in the destruction of a viable, effective and affordably-priced method of providing homeownership. We are confident that there is a way to serve both the tenant and the owner who desires to convert his building. Without going into great detail, one suggestion would be based upon allowing the conversion of those units for which the existing tenant agreed, while permitting those tenants, in the same building, to continue to reside under specific conditions, as a renter, for a given period of time.

Obviously the matter demands far greater attention and research, with the collection of statistics based upon current conversions within the State. It would seem that any such legislation, by necessity, would have to be enabling legislation in order to recognize the needs of the various communities within the State, and thereby give each town the option to encourage conversions under state guidelines.

A 947

This is another example of a measure which has merit, but which has been carried to an unworkable extreme. Certainly the name and place where a person of authority can be reached should be accessible. This is the purpose for a resident manager, who is on the premises 24 hours a day.

It is impressive to request that the name and address of the owner be posted. However, if the building is in New Jersey and the owner resides in Texas or is a public company, then there is little to be accomplished from such window dressing.

The bill also requires that the name of every mortgagor also be made accessible. Aside from the doubtful constitutionality of this stipulation, it will accelerate the dwindling of an already unstable commodity --- mortgage money.

We would suggest that the bill be rewritten to require the filing of the name and address of "the person who is given authority to accept process and make emergency decisions concerning the building and any repairs or expenditures thereof." In many cases this will be the owner. In other cases, it will be the resident manager. In no case will it be the holder of the mortgage on the property.

In addition, to require the filing and notification to the tenant each time a new superintendent, janitor or porter is hired, as stated in Section 3(e) would create a nightmare which, at best, will only serve to aggravate the landlord/tenant relationship.

The tenant should be interested in the name and address of the individual who is authorized to make key decisions concerning the premises and this information should be posted with the municipality. All of the other information which this bill would require is superfluous, and simply more bookkeeping and paperwork, with no real purpose. It's these extra, unnecessary requirements that often cause increases in rent.

A 951

This bill provides that, in all court proceedings for the summary dispossession of a tenant, the landlord must provide the court officer with both prepared regular and certified letters and envelopes, both of which are to be mailed by the court officer.

Quite simply, and most unfairly, it places an additional burden and responsibility on the landlord because of alleged "sewer service" by the officers of the court. How can the alleged malfeasance of the Judiciary be passed on as a responsibility of the owner of an apartment? You cannot legislate efficiency.

In addition, according to the last sentence of the first paragraph of Section 2, the case will be dismissed if the court officer fails to sign the original of the process and indicate his compliance with the mailing requirements. Again, the failure of a third party, the court officer, makes the landlord guilty and causes him to lose his rights.

If one were to attempt to make the bill workable, either the above-described sentence would have to be deleted or there would have to be incorporated an assumption of personal service if (1) a personal service certificate is signed by the court, or (2) a return receipt is produced in court, or (3) a certified letter is returned marked "unclaimed," "refused delivery" or a similar Post Office description, or (4) the landlord certifies that the regularly-mailed duplicate letter has not been returned by the Post Office.

A 953

This measure would give municipalities the right to require landlords to provide elaborate safety facilities when the municipal governing body deems it necessary.

The New Jersey Builders Association and the Apartment House Council have, for years, adhered to the belief that all construction, health and safety requirements be under one code and one law. In 1967, the Hotel and Multiple Dwelling Health and Safety Act achieved this end. If there are to be decisions regarding much-needed safety requirements, then let the people who are dealing with the problems on a day-to-day basis promulgate the rules.

It is impossible to develop such rules for all apartments within the State through legislation such as A 953. As a simple example, do you treat a high-rise lobby, which has 24-hour doormen, in the same way as a 60-building garden apartment complex?

One of the requirements under A 953 would be a distress bell connected either to the superintendent's office or the front of the building. It is not difficult to visualize what would happen in one of my 20-building garden apartment complexes on Halloween Eve. Further, when the bell goes off in my superintendent's apartment, what kind of computer would be needed to direct him to the correct building? And, of course, heaven help me if he ever moves, or is out on a repair, or if I have two superintendents. Must I have two such electronic devices.

One fallacy which the Apartment House Council feels is

present in all bills has to do with capital improvements. While the bills make provision for the compensation for the specific capital improvement, there is no consideration for the maintenance and continued use of these things. The items specifically required in this thing will require power and electricity. There is no compensation for the additional cost which is incurred by the landlord for the additional power and additional maintenance of any of these capital improvements.

We again would be most willing to use our offices to communicate with the Department of Community Affairs and recommend that it explore new safety requirements for multiple dwellings, and, in all probability, would support a legislative resolution requiring this.

This bill describes the conditions under which a tenant may sublet his apartment, but gives absolutely no consideration to the problems which subleasing causes the landlord.

Although the landlord is given grounds on which he may reject the subtenant, if he does there is nothing in the law to prevent the original tenant from leaving, since Sections 4 (a) - (e) permit a totally subjective determination as to whether the landlord's grounds for rejection were "reasonable."

In addition, the burden of proof, with regard to reasonableness, is on the landlord and the security deposit cannot be held even because of the tenant's negligence or damage to the apartment --- which is exactly why a security deposit is collected, as a safeguard against tenant abuses. Further, there is no provision for the sublessee to post a security deposit.

The bill is also woefully incomplete, in that it does not provide for the increased amount of clerical and supervisional time which subleasing requires, such as credit checks, new files, inspection of the unit before the old tenant leaves and the new one takes occupancy, or the tremendous tie-up and wear and tear which moving in and moving out causes in any apartment, particularly a high-rise, elevator apartment.

Because of these hardships which subleases cause, the landlord should be permitted to charge the previous tenant the equivalent of one month's rent --- the same fee that a managing agent charges for processing a lease. The new applicant should be required to rent at the existing rent, not below it, thereby creating competition for the owner within his own building.

As written, the bill is totally lacking in any recognition of the problems which subleasing causes and we urge the Committee to reject the measure, unless the aforementioned provision could be incorporated into it.

A 1048

Obviously based on the presumption that waiting lists are still a common practice --- which they are not --- this bill attempts to ensure against misrepresentation of availability of rental dwelling space.

Actually, the bill anticipates a problem that does not really exist. Suppose a prospective tenant puts his name on 10 different lists. When that tenant's name came due, the owner would have to locate him and the owner may be holding a unit for that tenant, on the assumption that the tenant is still looking for space, when, in fact, the tenant may have found another apartment in the interim.

Hence, the landlord is required to go to great lengths to serve someone who is not even yet a rent-paying tenant, while the prospective tenant is totally without responsibility under this proposal.

It is ironic to note that the bill specifically exempts two- and three-family houses. If there would be any area where "under-the-table-payments" occur to any extent, it would be the two- and three-family homes. This bill is, again, a clear example of a case where the cure is far worse than the disorder.

A 1060

This bill provides for the preparation of a compendium of landlord/tenant case law, which shall be both posted and attached to each lease.

First, the summary which the bill proposes that the Department of Community Affairs draft would be several volumes, and not a brief statement. Certainly it would be naive to believe that the research and publication and printing costs could be less than several million

dollars. There are probably close to a million apartments in the State of New Jersey and that would require a million of these per year to be handed out, which would be obsolete even before they were published. If it were a brief statement, it would be meaningless in light of the tremendous amount of landlord/tenant case law.

We are not opposed to the development of such a compendium. In fact it might be of assistance to landlords and tenants who are confused as to their rights and responsibilities.

However, the bill goes far beyond a sound purpose when it stipulates a $500 fine for failure to distribute, post or attach this document. How does one post a multi-volume compendium?

Finally, the most ironic statement of all exempts two-family owner-occupied dwellings, which, from our experience, have the most frequent instances of misunderstanding. Again, we urge the Committee to reject this measure as one of several unnecessary bills that would accomplish nothing more than requiring additional staff personnel for paperwork and bookkeeping.

We have been particularly critical of a number of measures under consideration today, and not without good reasons. First, while the concepts or principles proposed in some of the bills are sound and meritorious, the procedures and requirements for accomplishing such ends are, at the least, inappropriate, and, in many instances, absolutely crippling.

Second, many of the alleged abuses toward which these measures are directed, are already covered under existing statutes. The answer lies not with additional layers of legislation, but rather with proper and effective enforcement of present laws with accountability of those enforcements. As I said earlier, you cannot legislate efficiency.

In addition, I have mentioned, on several occasions, our concern with aggravating the landlord/tenant relationship. This is a very tenuous and delicate condition. We are all aware that most of the aforementioned bills are totally superfluous when good landlord/tenant relationships exist. Many of these proposed laws would tend to creat antagonisms and sources of dispute where none exist now. I am sure it is not the intent of this body to replace good will between the parties with hard feelings.

And finally, the housing shortage, to which all parties admit, is becoming like the weather. It is dutifully discussed, but there is rarely, if ever, legislation introduced to provide positive means for more new housing production. Incentives and encouragement are totally lacking. In their place are restrictions and deterrents. Regretfully, most of the measures under discussion today fall into the latter category.

Thank you for your courtesy and time. I will be glad to answer any questions the Committee may have.

ASSEMBLYMAN BAER: Thank you, Mr. Herzog.

Assemblywoman Curran, do you have any questions?

ASSEMBLYWOMAN CURRAN: Where are your 500 multiple family units located?

MR. HERZOG: They are located in East Brunswick, New Jersey, and in the Highlands, Monmouth County.

ASSEMBLYWOMAN CURRAN: Just two places?

MR. HERZOG: That's right.

ASSEMBLYMAN BAER: Assemblyman Herman?

ASSEMBLYMAN HERMAN: In reference to Bills, A-58 and A-943, you have made comments that there are many other examples that you could give and that your organization would be willing to submit a draft of legislation for consideration in reference to those two items. How long would it take you to submit proposed draft revisions, which I don't see here today as an alternative. What are some of those other examples to which you allude but do not specify, since you say there are a great number of them?

MR. HERZOG: Well, the simple manner of animals. We talked about the taking in of boarders. We haven't talked about the perpetual lack of cleanliness, the uncleanliness, continual vermin infestations and things like that. All kinds of rules and regulations, again which I cannot think of off the top of my head, for the protection of both the apartment and protection of fellow tenants, that are not considered as causes for eviction. And one of the main things, we are again coming to a point in time - I don't know what is going to be the relationship vis-a-vis the tenants and the landlord as far as energy and power situations.

If there are going to be changes, if there are going to be dynamics within this relationship, this bill

takes into consideration -- and the tenant refuses to go along with these changes, you know we cannot evict a tenant.

In another bill here you talk about the tenant having to pay and compensate for safety installations. If the tenant refuses to go along with the new rules and regulations which either go to his maintenance of some of these safety regulations or to his paying for some of these safety regulations and he refuses to sign, do we have the right under these bills to evict him.

ASSEMBLYMAN HERMAN: Getting back to the second half of my question, how long would it take your organization to supply that extensive list of examples, as well as a draft of legislation?

MR. HERZOG: I think we could do it probably in six months, if not earlier. I would have to take a survey and find out.

You're talking also about things involving different types of construction. I mean, there could be valid reason for eviction within a multi-family, high-rise, elevated apartment, which I would have no concept of as a garden apartment builder, and things like that. I would say we would have to take at least six months.

ASSEMBLYMAN HERMAN: I would tell you, Mr. Herzog, as a Solicitor for a number of communities if I gave that answer I would be post-haste fired.

MR. HERZOG: I'm trying to be honest.

ASSEMBLYMAN HERMAN: With reference to legislation involving A-946 - that's a bill involving condominium conversion - I note with some interest with respect to that piece of legislation that you suggest that each town be given the option to encourage conversions on a town-by-town basis; yet, under Bill 953, you suggest that we limit the application of that particular law to the Division of Community Affairs on a statewide basis.

MR. HERZOG: I think the thing you are talking about - one, we're saying that each town has the option to do it and it will be enabling legislation, like your zoning laws in the State of New Jersey are enabling legislation, and that is simply giving the town the option. If the town does not have any apartments or the town had specific areas in which they wanted conversion, let them do it under the guidelines of the State and have some sort of uniformity in the guidelines within the State. But when we talk about building codes and everything else, we're involving ourselves not only in the building codes with a change which you say the town could promulgate but you're involving now a third party in that law, which is the Chief of Police, and he can decide whether something is important or necessary or not. You are getting more and more individuals involved in a highly technical operation. I could go into detail as to what the mechanics and problems involved would be in installing and putting in some of these things on the various jobs and various myriad types of garden apartments and high-rise development. And to assign this for design or a concept of what is necessary to a municipality that does not have the proper personnel and the proper people to promulgate these rules is defeating your own purpose. And to have a total confusion, where a builder has to go to 14 different agencies in order to find out (a), if he does have conflicts within the construction, how to iron them out, rather than go to one agency and deal with them, you're talking about an entirely different thing.

ASSEMBLYMAN HERMAN: You are suggesting uniformity.

MR. HERZOG: I'm suggesting a uniform building code throughout the State. We have that for multi-family

construction currently.

ASSEMBLYMAN HERMAN: Don't you think, in reference to A-946, then that it would be important to establish a uniform State policy and not leave it on an ad hoc basis for municipalities to --

MR. HERZOG: I'm saying, let the State create the guidelines but let the municipalities choose whether they want to implement them or not.

ASSEMBLYMAN HERMAN: You are aware, Mr. Herzog, that under present State law, zoning and otherwise, it has always been inherent in the police power of each municipality to adopt standards more stringent, depending on the local situation in reference to zoning and building codes. Are you suggesting that we abolish that practice?

MR. HERZOG: I suggest that the State promulgate - we have always suggested that the State promulgate a building code which municipalities would adhere to.

ASSEMBLYMAN HERMAN: Well, the point is that you are suggesting then the administration of zoning and building codes --

MR. HERZOG: I was talking about building codes. We were referring to building and construction codes. And our Builders' Association and the Apartment House Council have always supported the concept of a uniform State building code for residential construction.

ASSEMBLYMAN HERMAN: I would like to address a different question to you. I follow what you have said.

You have noted, in reference to a comment regarding the posting of the name of the mortagee, that you felt that that would lead to a decline in the available mortgage money?

MR. HERZOG: Yes.

ASSEMBLYMAN HERMAN: Isn't all that information public anyway, with the County Clerk of each county?

MR. HERZOG: That is an entirely different thing, being filed with the County Clerk of each county, than every time a new tenant comes into my development or every time I want to change my financing relationship and remortgage my property that I have to mail a letter and notify within a given period of time every tenant within my complex that I have changed from Prudential Life Insurance, for example, to Equitable Life Insurance. This is not their business. And I am quite sure that my mortgagor would not like calls from 300 tenants or to be bothered. And there is nothing that this will help the tenants in. The tenants have a perfect right and a reasonableness to want to know if there is a problem who to get hold of and how to get hold of them officially, but not the mortgagor.

ASSEMBLYMAN HERMAN: All right. May I expand on that comment. You then continue to make note that you see as superfluous the need of posting the name of the true owner because I believe you gave the example of the Texas Corporation. You are aware, though, that under our law, unless the true owner is known, if I as a tenant wanted to sign a complaint against the owner I would be without process.

MR. HERZOG: We say in this thing, on page 8: "We would suggest that the bill be rewritten to require the filing of the name and address of 'the person who is given authority to accept process.'"

ASSEMBLYMAN HERMAN: As you also know, under the law as written anybody can sign a complaint. Why, on one hand, should I as a tenant who supposedly has a one-to-one relationship with you as an owner be required to go to my municipality to find out who I am dealing with? You don't think that that's burdensome?

MR. HERZOG: We figured and felt that the municipality was the central place and the obvious constant place there where a tenant could go.

Now, you also are required by the Department of Community Affairs to have on file the certificate and everything else, to have this filed in the same place. But to have this information posted. We have no objection to having it posted but to have it have to be clerically disseminated, and not only this information but if my superintendent quits tomorrow I have to send out in one development over 300 letters and in practicality in order to protect myself possibly certified letters. You are talking about for me either to fire a man or to hire a new man - you are talking about an expenditure of several hundred dollars in clerical work. Well, I might possibly have the staff to do it but what about the man who has a 30 or 40 apartment house unit? You are putting a huge burden on him if he wants to change his personnel. And what does the superintendent have to do with a person of authority?

ASSEMBLYMAN HERMAN: Doesn't the law require presently, under the multiple dwelling act, that in apartment dwellings you have a full-time superintendent?

MR. HERZOG: Yes.

ASSEMBLYMAN HERMAN: And don't you think it is important for the health, safety and welfare of the occupants of that apartment that they know on a 24 hour basis the telephone number and address and name of the people they can contact in case of emergency?

MR. HERZOG: Fine.

ASSEMBLYMAN HERMAN: If you replace them, how are they going to know?

MR. HERZOG: First of all, if I have five resident superintendents on the job I am required to list

them. They need to get the central office. Do they know which one of these five superintendents is on duty at the proper time?

ASSEMBLYMAN HERMAN: Don't you think it's your obligation to tell them?

MR. HERZOG: No. I say, they have to have a number and at that number they have to know who is on duty. If that man is going to be sick, there has to be somebody substituting for him. It is physically impossible for me. Am I to list the work schedule for the next six months and distribute to every tenant the work schedule, that Mr. Jones will be out on Christmas and Mr. Smith will be on duty on Christmas? There has to be a central office, the job of a managing office, and we say that this information must be available to the tenants. We are not arguing with the fact that this information should be available. But from there, who calls up or who gets the job to take care of the leaky faucet, that's a logistic job that has nothing to do with the tenant.

ASSEMBLYMAN HERMAN: I don't think that's the intent of the legislation.

MR. HERZOG: The intent of the legislation - the legislation says that tenant must be notified of all personnell.

ASSEMBLYMAN HERMAN: One other item. A-1048. You allude to the fact - I believe it's on page 12 of your statement -- you allude to the expense and clerical work. I just throw this out to you, Mr. Herzog. Would you still voice objection if the prospective applicant would be required to leave a couple of dollars to handle the cost of mailing and the clerical work? Would your objection be the same then?

MR. HERZOG: You tell me what I am going to do under the Rent Security Law with that money, if I have to

apply it to the deposit and I don't have to put it in an interest-bearing account, and how I can treat it, perhaps we could talk about it.

ASSEMBLYMAN HERMAN: Assuming we can overcome all those horrendous problems, would you see any objections to the philosophy of this particular bill under those conditions?

MR. HERZOG: If I wanted to rent an apartment from you and you told me there was a waiting list, I would say, okay, and I would leave my name, and there was an established fee of a dollar or two dollars to handle the cost of mailing and notification - I feel very practically that anything that gets involved with this, whether it be a dollar or two or a fifty dollar bill, is going to eliminate those few people who keep waiting lists. I think in my first paragraph in my statement on bill 1048 is the crux of the thing. This is a very uncommon practice. I know I don't do it. And I think you are concerned about something that is a very rare occurrence. And your main reason for this - you're talking about under-the-table payments but you exempt the area where this is more possible than anywhere else.

ASSEMBLYMAN HERMAN: Are you saying today, sir, in all areas of this State we don't have a problem of discrimination? that that problem is not a real problem on which lists should be maintained so that some division, such as the Division of Community Affairs or other State agency, such as our Civil Rights Division, may not be able to come in and check to see whether you are living up to the letter of the law?

MR. HERZOG: I think you're talking two entirely different things now. I don't think that waiting lists are either the answer or the method of finding out any of these questions that the Department of Civil Rights or the

Department of Community Affairs might have with regard to discrimination. And I don't think this bill addresses discrimination, it addresses "under-the-table payments". And this is what the bill is talking about and this is what the bill is concerned with.

ASSEMBLYMAN HERMAN: Just one last comment. I would like to again ask you, Mr. Herzog, if you really feel that the home builders have something to offer by way of constructive, legitimate legislation alternatives, if you could reconsider your six months proposal? Certainly I don't know how, as a Legislator, I would be able to sit by on many of these important problems and wait for that.

MR. HERZOG: The only one we're talking about is the eviction proceeding.

ASSEMBLYMAN HERMAN: Well, in any of the bills that you have made comment on --

MR. HERZOG: I can say very comfortably that we probably can if this is the one bill that you want us to work on, we probably can shorten the period of time and definitely get it in in a shorter period of time than that.

ASSEMBLYMAN HERMAN: It's not a question of us wanting you to do anything. Perhaps my comment would apply to you as well as any other witness who will testify here. General comments are fine and critical comments are fine but where there are vested interests involved, such as in the area of landlord and tenant associations, more than comments are necessary. If you feel there are viable substitutes, let's have them, but let's have them quickly. That's the only comment I would make.

MR. HERZOG: All right. We will try to get it to you as quickly as we possibly can.

ASSEMBLYMAN HERMAN: Thank you, Mr. Chairman.

ASSEMBLYMAN BAER: Thank you, Assemblyman Herman.

I would like to add, before I ask Assemblywoman Croce if she has any questions, that we will be open for written material on these specific bills for a period of a week. We are very anxious to have written material such as referred to just now. To whatever extent you can complete the drafting of proposed changes, or anybody here can, we would appreciate that material by that time because the Committee does have an extensive schedule and needs to go into intensive examination of these related bills to determine what they are going to do and what changes they are going to make. So I urge you to get what you can to us within the next week. And, of course, the Committee will always be open for any other material you get at any other time, but it would be timely to get it to us by then.

Assemblywoman Croce?

ASSEMBLYWOMAN CROCE: Yes. On Bill 947 you say it shouldn't be a matter of public knowledge where the landlord lives. And I have found in dealing with tenant-landlord relationships, when someone has a complaint if you go to the superintendent he will say, well I can't fix this or I can't do that until I contact the owner, and they take a long time in contacting the owner. I do think that the owner should live in the apartment building and therefore he would be accessible to the people at all times.

MR. HERZOG: Well, if the owner happens to be Prudential Life Insurance Company, it's a little tough. But we say and we accept that this is a problem, and the tenant has the right to have somebody of authority. And if you look on page 8 we suggest that there be required the filing of the name and address of the person who is given authority to accept process and make emergency

decisions concerning the building and any repairs or expenditures thereof.

ASSEMBLYWOMAN CROCE: I've gone to these people and we have gotten no help.

MR. HERZOG: Then they have not been given the authority.

ASSEMBLYWOMAN CROCE: But they say they are the superintendent in charge of the building. And then we have to go looking for the owners. And one time I can recall it took three months to trace the owners.

MR. HERZOG: But if this person was given authority and had to file an affidavit that this person had the authority, then he could not turn around to you and say, I don't have the authority.

Now in many instances this is going to be the landlord. In many instances it's going to be the resident manager. Again, you have properties that are owned by public companies. There is no way for you to get to the landlord. It would not satisfy you at all if I was on vacation in Europe for two weeks and there was nobody available at that time when a boiler burst. You need at the premises available continually somebody who is in authority to make a decision. And this is a legitimate request.

Now we think that a practical method of posting an awareness of this can be given. I think having to mail this out, and everything else, to every tenant is an impractical bookkeeping job which can be a nightmare. But this should be posted and available to every tenant and available to the municipality, because the municipality, if an apartment burns down, has to be able to know who to get in touch with and let the landlord know or somebody in authority. And , again, if I happen to be going away on vacation somebody has to be perpetually available

because you're living in the apartment. But certainly the person who holds the mortgage is not going to be available and is not going to be able to do anything. And the superintendent or janitor who doesn't have the power to make a decision is just going to antagonize the tenant if he goes over and asks the superintendent to do something and he isn't given the authority. So somebody has to be given the authority. But to go and list --

ASSEMBLYWOMAN CROCE: But superintendents are given the authority but they don't act all the time.

MR. HERZOG: Again what we say in this thing is that a bill requiring that somebody state that they be given the authority, not to verbally say the landlord said I have the authority, but it should be given by - and I'm not an attorney -- given by some document and some means that these persons do have the authority. They obviously don't have the authority to do certain things, such as sell the building. They have to have the authority to do other things.

ASSEMBLYWOMAN CROCE: True, but they don't act on it.

MR. HERZOG: Well then we recommend that a law be supported to say that a person or a managing office have that authority so that they can't shunt you from one person to the next. And, very honestly, my supers, if I turned around and gave them the authority they would be terrified of this authority; they are not there for that; they're mechanics.

ASSEMBLYWOMAN CROCE: Then do your supers get in touch with you?

MR. HERZOG: I'm available. I'm available 24 hours a day or a phone is available to get me 24 hours a day.

ASSEMBLYWOMAN CROCE: That's all. Thank you.

ASSEMBLYMAN BAER: I would like to request, before Mr. Ruane speaks, since there are some eight people standing, if those of you who are seated could move over and make room so that people will not have to stand for long periods of time. There is space here in some of the front rows, if you would like to come forward.

Assemblyman Ruane.

ASSEMBLYMAN RUANE: Thank you, Mr. Chairman.

I would like to digress back to what Assemblyman Herman was questioning you about, just briefly. You said it would take you approximately six months in order to get some input into these bills?

MR. HERZOG: No. There was a question with regard to eviction and, as I understood the question, how long it would take me to get some sort of survey throughout the entire area of the State of New Jersey of the apartment owners and get some sort of concensus of what they consider reasonable grounds.

Again, I accept and we accept that there has to be some sort of guideline; a tenant should not be subject to arbitrary and unreasonable eviction.

ASSEMBLYMAN RUANE: Fine. Then let me restate that. Would that be the input for this Committee to discuss and to try to decide which ones are valid and which ones aren't?

MR. HERZOG: Yes. This is the reason why I thought it would take me that long. Maybe we can accelerate it and try to get this information a lot quicker. But I doubt, very honestly, if I could make a mailing out to my members and everything else. I could state my own personal feelings but I'm talking for, you know, several hundred apartment house owners and organizations and I can't answer as to what they feel or

how they feel. Again, some of their jobs and operations are entirely different from mine.

ASSEMBLYMAN RUANE: I would like to point out that two public hearings were held last year on many of the bills that we're discussing under different numbers. Are you aware that all this was discussed last year.

MR. HERZOG: I am aware that some of these bills have come up.

ASSEMBLYMAN RUANE: Then, in effect, we're talking about an April 25th public hearing. So now we're talking about a year and in that year - perhaps it was brought up at the last public hearing. But if you had any intention of suggesting to the Legislature any revisions or provisions you certainly had more than six months.

MR. HERZOG: Well, I don't know whether last year whether there was this type of input requested from us. I was not involved in the hearings last year. I cannot talk about what happened then. And I know for a fact that I was not contacted, as a builder, to give certain input into the eviction. Now on many of the other laws we have also put out, the Apartment House Council and the Builders Association, our concept on many things. We have come out with a statement with regard to condominium conversions. That has been brought about from the problems there, which is incorporated in my statement. We have come out with many suggestions and many of our feelings. Some of these laws here are completely new and I have never seen before.

ASSEMBLYMAN BAER: Because of the pressure of time, I would appreciate it if the witness and the Committee would keep comments about procedural matters

quite brief and spend more time on the substance. I realize they are relevant but I hope we can deal with them briefly.

ASSEMBLYMAN RUANE: What I am trying to point out, Mr. Chairman, is this seems to be a case of benign neglect. It's one year and then it's six months and then we'll recess and then we will be going into the second half of our session and these bills will never come to a head. So you see, the point is, do you need six months in order to digress back one year. And I would like to submit that I don't think that's accurate.

ASSEMBLYMAN BAER: Thank you. Any other questions?

I might add in my own behalf, in that regard, that I have a letter here addressed to me as Chairman from your Organization, January 30th, with reference to this bill that is getting most of the discussion so far as time, the No Cause-No Eviction Act, requesting that I, as Chairman, hold the bill for another week so that we might have additional time to research this legislation. So I would like it to be understood that when I urge you to get your comments to us within a week that this matter has been on the agenda of the Committee and you have been notified of it for quite some time prior to this hearing.

MR. HERZOG: We have made our comments, Mr. Baer.

ASSEMBLYMAN BAER: I have a few questions. First of all regarding the constitutionality that you question in 947. Could you address that now or get us comment on that within the next week?

MR. HERZOG: I will try to get you comments on it. I am not an attorney. This was just a feeling that some of the Council gave us and I will try to get you a letter of comment on that from our attorneys.

ASSEMBLYMAN BAER: All right. Regarding 953, on the safety requirements, I draw your attention to page 2, section 3, line 10.

MR. HERZOG: 953.

ASSEMBLYMAN BAER: 953, page 2, section 4. Did I say section 3? I mean section 4, line 10, and your comment that there is no provision for meeting costs such as power or maintenance of the safety facilities that could be required under this act. I note that the language limits charges to, or limits the increase in rent to providing required additional facilities which shall exceed the actual amount paid to provide such facilities prorated for each tenant over a five year period. What is there in the language "paid to provide such facilities" that in your mind limits that only to payment for capital expenditures as opposed to continuing expenditures?

MR. HERZOG: I think that when they prorate for each tenant over a five year period - how can you prorate a continuing thing? You don't know what your maintenance on this item is going to be, you don't know what your power cost is going to be. How can you prorate something over a period of time? First of all, if you are prorating an item over a period of time, you're calculating a fixed cost. When you're talking about prorating over a given period of time then you're talking about a fixed expense. When you're talking about maintenance of an item, you're talking about an on-going expense. And my comment, Mr. Chairman, was addressed in general to all concepts and all bills that are considered capital improvements. They completely neglect the fact that there is increased maintenance and increased expense with regard to that, or there might be.

ASSEMBLYMAN BAER: Right. So, at any rate, your

concern is with what you think the language means. You are not objecting to the impossibility if the language does in fact provide so that you can take into account continuing expenses, maintenance and power. You are certainly not saying that that is unworkable because you can't make projections on that, I assume, since the whole real estate rental industry is based on the ability to make such projections.

MR. HERZOG: I'm saying that the rules, as talked about here, might be unworkable in a practical sense. I was not talking about the dollar and cents sense originally. Obviously, we can make projections as far as maintenance and everything else is concerned, if specific or intent would be to incorporate maintenance and the ongoing use of power, etc., for these things.

ASSEMBLYMAN BAER: I understand. I would be interested in any specific proposals you might have regarding the incentives that you indicated were lacking in any of this legislation. If you have some specific proposals regarding that, they would be appreciated either now or in the next week. I suspect, because of time limitations, it would be better if you could give that in writing in the next week rather than spending a lot of time now on it.

MR. HERZOG: With regard to the lack of incentives for new housing, etc., that these bills might create.

ASSEMBLYMAN BAER: So far as new housing, that's another subject. I thought you were raising the question of incentives in the management of landlord-tenant relations. I thought what you were trying to say there was that there were incentives possible toward the goals that this legislation addresses itself to. This is not legislation on building of housing. Now, if I misunderstood

that and that's not what you meant, then we won't expect that.

MR. HERZOG: In the last paragraph of my presentation here we were talking about incentives to alleviate the housing shortage --

ASSEMBLYMAN BAER: All right. I understand.

MR. HERZOG: -- whether it be vis-a-vis conversions or upgrading of property or new housing. It was to alleviate the housing shortage. Our feeling is that these bills are contrary to creating any incentives or contrary to, you know, causing the inflow of new capital or new personnel into the building industry. It would frighten it away.

ASSEMBLYMAN BAER: Let me ask a question so far as the New Jersey Builders' Association. Can you give me some idea of the number of rental units managed by members of the New Jersey Builders' Association, which you represent?

MR. HERZOG: I would say probably in the neighborhood of 150,000 to 250,000, owned and managed.

ASSEMBLYMAN BAER: So you are speaking here not just out of concern in terms of the impact that this might have on building itself but also as a representative of a group that is --

MR. HERZOG: Owning and managing apartments.

ASSEMBLYMAN BAER: Owning and managing. I thought the record should be clear on that.

I would also appreciate your getting us any information you can, when you indicate the basic problem is enforcement of present laws as opposed to the requirement for new laws. I would appreciate it if you could give us material on specifically what laws you feel there is substantial failure in enforcement so that we can address ourselves specifically to that, if you

could get us that information. That information does not all have to be here in the next week except so far as that which might relate to any statutes that are included in this legislation here that are being amended. But anything other than that, if you could get it to us in the near future we would appreciate it.

I want to thank you very much. Oh, Assemblyman Keegan is here.

Let me just ask you one other question and that is in relation to conversions of apartments to condominiums or co-ops.

You have indicated that you have some national statistics. Do you have any state data on that?

MR. HERZOG: There is an extreme lack of state data. We have tried to collect some state data on it and there is, to my knowledge, - and you know I am again just talking from personal experience - very little data on completed or proposed conversion going on now where we could get some statistics that we could call meaningful. We would want to know how many conversions have been successful and what was the retention of existing tenants, and things like that. And there is very little in the way of statistics for us to go on within the State at the present moment.

ASSEMBLYMAN BAER: Thank you very much.

MR. HERZOG: Thank you again.

ASSEMBLYMAN BAER: The next witness will be Mrs. Sylvia Aranow, representing the New Jersey Tenants Organization.

M R S. S Y L V I A A R A N O W: My name is Sylvia Aranow and I am the President of the New Jersey Tenants Organization.

The New Jersey Tenants Organization emerged in 1969 because a few people, led by my late husband, were

able to recognize and articulate the desperation felt by a group of people, young and old, of every economic, racial and ethnic background who are one-half of New Jersey's population - the tenants. In 1969 there were no laws to protect the tenant, except those dating back to English Common Law. What was even worse was that there were few, if any, public officials who cared that tenants had no legal protection.

There was, and there still is, a critical housing shortage and tenants were being victimized. They were rent gouged. They lived in uninhabitable conditions. Their landlord was "lord of the land". If tenants could not keep up with the spiraling rents, or stomach the deplorable conditions, and they complained to the landlord, the response was, "If you don't like it, move." But there was no place to move.

When a tenant asked local officials to help, they passed the buck - "Go tell it to Trenton." And when we told it to Trenton, Trenton was deaf.

Tenants were backed against the wall. They did the only thing they could, they decided to fight.

For four and one-half years we have fought and fought hard, and today we find ourselves, not only five laws and several case decisions richer but recognized as a viable force, reasonable and responsible in our requests.

No longer are public officials deaf and unresponsive to tenant pleas. Perhaps the best illustration of that is today's hearing where a legislative committee is deliberating on 12 bills which directly affect tenants. This number is only a drop in the bucket when you consider the number of tenant bills introduced by our State Representatives thus far. The subject range of the bills is enormous.

We applaud and thank you and your colleagues for opening your eyes and ears to the needs of New Jersey tenants. We appreciate your concern and we are grateful for your efforts.

However, in examining the bills before this Committee, and other proposals, the NJTO has found that too often our elected officials, in their eagerness to help, have gone too fast and too furiously. Some of the bills reflect an absence of careful thought, a failure to review existing laws, little understanding of whether or not the proposed legislation would actually remedy the short- and long-term problem, and, most important, no clear insight into the real needs and priorities of tenants.

Tenants are not looking for a five-foot stack of bills. What they want are laws that will protect them from present inequities and injustices, that will guarantee them a place to live in dignity.

The NJTO lives with the problems of tenants. We exist because tenants have problems. These problems are still essentially the same as they were four years ago - high rents, poor maintenance and arbitrary evictions. The most important tenant needs - rent leveling and habitability - have been addressed by the courts. I want to emphasize that because while the Legislature sat back the courts gave tenants tools to protect themselves. But neither the courts or the Legislature have as yet addressed themselves to the crucial problem of the privilege given a landlord to arbitrarily evict a tenant. Too much time has already passed. The Legislature must not pass the buck again; it must resolve this problem.

This legislative grant of power to a landlord to arbitrarily evict a tenant is unwarranted and unnecessary. It runs contrary to our notions of due

NJTO proposals and recommend it for passage.

As far as the other bills before this Committee, I'll try to be brief on my criticisms.

A-232 and A-284 both deal with amending the security deposit law. The NJTO feels these bills are worthy of consideration and their passage will benefit tenants without penalizing landlords. But, the NJTO also feels that if this body is to address itself to correcting the security deposit inequities, these bills should also include the following very important amendments:

1. Coverage should be extended to all rental units.

2. The same penalty for not notifying the tenant where the security is being held should apply when the landlord violates the law and does not pay interest on the security.

3. Interest should be paid annually, or in the case where a lease terminates prior to the date on which annual payment is made, then on the date of termination.

4. Security should be redefined so as to prevent circumvention of the law by charging fees, such as refurbishing fees, finders fees, rental fees, etc.

Assembly Bill 940: The NJTO finds no problem with this bill and recommends it for passage by this Committee.

Assembly Bill No. 946 regarding conversion to co-op or condominium - a law on this subject is sorely needed. More and more conversions are occuring and more and more tenants are being evicted from their homes. With the critical housing shortage many tenants are facing undue hardship. Some form of protection is necessary for these tenants. However, the NJTO does not feel that

the problem has been resolved in this bill. For example, the bill provides that conversion can only take place if 51% of the tenants consent. If that happens, then what do the other 49% of the tenants do? The original problem remains.

Also, the 51% could inhibit conversion to the extent that it might work against resolving the housing crisis.

Again, a law on conversion is needed but the subject, we believe, requires more study which the NJTO is presently engaged in. We respectfully request that this Committee not take action on this bill at this time.

Assembly Bill 951: This bill attempts to seek an end to the common practice of sewer service, but in actuality it does not address itself to that. If it really wants to remedy that problem, then it must tackle the problem of personal service, which it does not.

Assembly Bill 953: The NJTO's position regarding tenant safety legislation is that it is sorely needed. However, this bill merely provides for local option and municipalities have that power now. There is also no provision in this bill to make crime insurance available to the tenant. We do not recommend this for passage in its present form.

Assembly Bill 954, regarding subletting: We feel this bill has considerable merit and is worthy of consideration for passage. However, there are several minor deletions we would recommend that would greatly enhance this bill. We will make this material available to this Committee, if you so desire.

Assembly Bill 1048: This bill correctly identifies an existing problem, the misrepresentation of the availability of housing space. It is misrepresented

and it's not just a question of under-the-table fees. It's misrepresented because of the problem of subtle forms of discrimination. All kinds of discrimination come under misrepresentation of availability of housing space. And we feel that this bill falls short in the resolution of that problem. And what we do feel is needed is an open waiting list.

Assembly Bill No. 1060. This bill will allow for the translation of legislation into usable knowledge. Since this is consistent with the aims of the NJTO, we recommend it for consideration and passage.

Assembly Bill No. 947. The NJTO has been working on a bill very similar to this, and I suggest that perhaps between the two bills together we can come up with an effective draft of legislation. Material on this will also be made available to the Committee if you so desire.

Mr. Chairman and members of the Committee, I thank you for your consideration of my testimony and, in closing, I wish to again state the importance of a solid eviction for cause law. Thank you.

ASSEMBLYMAN BAER: Thank you.

Are there any questions? We will start with Mr. Ruane.

ASSEMBLYMAN RUANE: I would just like to ask, Mr. Chairman, if you would provide us with the information and any recommendations you may have within a reasonable time.

MRS. ARANOW: Certainly.

ASSEMBLYMAN RUANE: No questions.

ASSEMBLYMAN BAER: Mr. Herman?

ASSEMBLYMAN HERMAN: I have a few.

MRS. ARANOW: I had that feeling. You looked too pensive.

ASSEMBLYMAN HERMAN: The same comments that I had with the previous witness, in consideration of these first two bills, A-58 and A-943, if there are specific proposals, amendments or counter-proposals, I believe that they ought to be supplied.

With all due respect to your Organization, many of whose proposals I substantially agree with and have endorsed in the past, I really feel that the bill that has gone to Governor Byrne for consideration should likewise have been submitted to the Legislature where I like to feel legislation should initiate.

MRS. ARANOW: The Legislature surely is going to have its chance.

ASSEMBLYMAN HERMAN: The point is, I see some mention of it and being curious I perhaps would have expected it here today too, since it already is in the hands of the Governor.

In reference to a few of your comments on the bills in particular. What is the position of the Association in regard to condominium ownership generally? Do they favor it or disfavor it?

MRS. ARANOW: As long as this is a need of the community and the people of the State as far as housing needs, we certainly do favor condominiums. The NJTO is as much concerned about the available housing supply and increasing this housing supply as I think the builders, the realtors, and every single one of us are. If the conversion to condominiums or the building of condominiums is going to assist in reducing this tremendous gap in housing, then fine, I think it should be encouraged. But, on the other hand, if it is going in where there is a critical housing shortage within a community or within a state and you're going to take away the rental housing that exists and just convert it indiscriminately into condominiums or co-ops, for that

matter, then it has to be looked at again because you are not aiding the housing crisis.

ASSEMBLYMAN HERMAN: Addressing the problem which you note in reference to the proposed condominium conversion law, what would be your Association's position to amendments which would, in essence, affect the right of the landlord to use his ownership to convert but affording a year or two year guaranteed carry-over lease?

MRS. ARANOW: A year or two. You're not talking about notice, you're not saying you have a year or two notice.

ASSEMBLYMAN HERMAN: Let me give a hypothetical case, if I may. You are a tenant and you have 8 months to go on your existing lease. At that point I, as an owner, say that I wish to convert my premises to a condominium, I think that the whole situation would be better, I would like to get out and I feel this would be the best way. If at that juncture, first, of course, giving the tenant the option to buy, the right of first refusal, which I would deem necessary, but assuming the tenant said no, I don't wish to buy at the offered market price, what would be the position of your Association to perhaps a guaranteed two year carry-over?

MRS. ARANOW: I think this is a position that we would want to consider as one of the ways of resolving one aspect of the problem. The only thing, I do not want to be too hasty in saying yes, we would commit ourselves to that, or no, we wouldn't, because I think there are very many areas to that problem and I think all of the possible resolutions have to be looked at all at once and see how they intermesh.

ASSEMBLYMAN HERMAN: In reference to the second point along those lines - this shows Mr. Herzog I didn't pick on him alone - what is the position of your

Association in reference to the constitutionality or the social philosophy of denying a landlord or an owner the right to convert his property?

MRS. ARANOW: I don't think he should necessarily be outlawed or not be allowed to convert his property and in no way do we espouse that approach. I think that the responsibilities and the rights of the landlord are basically the same responsibilities and rights of every human being, and that if he goes into a business that affects the lives of others his property rights should be subserviant to human rights. And I believe somewhere Justice Weintraub has that in one of his cases, that they should serve human rights. And I do believe that this has to be his social obligation if he's going to make a business out of people's lives.

ASSEMBLYMAN HERMAN: There should be a balance.

MRS. ARANOW: Absolute balance. I do not believe in crucifying any landlord, and I don't believe it has to be a one-way street, absolutely not; it has to be something for everyone.

ASSEMBLYMAN HERMAN: Has your legal counsel looked at the constitutionality of any of these bills or made any comments?

MRS. ARANOW: We have gone over all of these bills in fine detail and commented on all of them. If you would like further information from our Counsel, we would be happy to supply that.

ASSEMBLYMAN HERMAN: Through the Chairman I would certainly request that any input that your organization has or any additional suggestions likewise be supplied.

MRS. ARANOW: We will be happy to.

ASSEMBLYMAN HERMAN: Again, I'm certainly not happy that I don't have in front of me an opportunity to review what you feel to be a major piece of legislation that has been suggested as an alternate.

MRS. ARANOW: Well, if you would like, I can run down some of the grounds and some of the ideas.

ASSEMBLYMAN HERMAN: Well there are many witnesses here today and I don't think I would want to take that much time.

MRS. ARANOW: I realize that.

ASSEMBLYMAN HERMAN: Thank you very much.

ASSEMBLYMAN BAER: Certainly the Committee would welcome all of the material that you have referred to and we would appreciate your getting it to us in all the detail that you have described. As you know, many of these things have been - your thoughts and suggestions and your Organization's have been requested for quite some time and we would very much appreciate getting them soon. Just as I made the comment to Mr. Herzog, I think some of these bills have been before your organization even well into the previous legislative session. We would very much appreciate getting those comments soon.

ASSEMBLYMAN HERMAN: I left out one question I wanted to ask philosophically. You heard me ask Mr. Herzog what would be his position with reference to a reasonable fee for the processing, mailing and clerical work in reference to notification of availability of apartments. What would be your Organization's feeling, or if you can't speak for them per se what would be your feeling in reference to requiring an applicant for an apartment who wants to be put on a waiting list to post a reasonable fee for notification?

MRS. ARANOW: We have already worked out an open waiting list piece of legislation that we call an open waiting list. In this we do not feel that fees are necessary to be charged and we do not include them in there. We are a negotiable group and if you can give us a legitimate reason for a minimal fee being required, we

may consider it.

ASSEMBLYMAN HERMAN: Very well put. Thank you, Mr. Chairman.

ASSEMBLYMAN BAER: Any questions from Assemblywoman Curran?

ASSEMBLYWOMAN CURRAN: Yes, a continuation of that. Could you explain to us briefly or provide us with information on what you would consider an open waiting list?

MRS. ARANOW: I certainly can. I don't know whether you want to take the time now.

ASSEMBLYWOMAN CURRAN: No.

MRS. ARANOW: But I certainly will provide you with that information.

ASSEMBLYWOMAN CURRAN: Also if you have any statistical information - I don't know whether you heard Mr. Herzog's comment that waiting lists are not used and are not necessary -- if you have any statistical information that would tend to counteract that or support it?

MRS. ARANOW: I think waiting lists are used more in words rather than in action. Very frequently you go to rent an apartment and they say, I'm sorry, we have a long waiting list, and you are at the bottom of the list and you might just go someplace else in the meantime. We don't have any proof of waiting lists. They don't produce waiting lists. One of the things that this bill would provide is that the waiting list must be open to the public for inspection and as a matter of fact copies can be made and given, on demand by the tenant. In that way they would find out whether there are waiting lists or not. Right now I don't believe that there is any proof of the existence of them.

ASSEMBLYWOMAN CURRAN: I think you are quite right in your comments that what really does exist is a misrepresentation of the availability.

MRS. ARANOW: That's true.

ASSEMBLYMAN BAER: Assemblyman Keegan?

ASSEMBLYMAN KEEGAN: No, Mr. Chairman. I have no questions.

ASSEMBLYMAN BAER: I want to thank you very much for your testimony and for all the information that you have given us. We will be looking forward to receiving the material.

MRS. ARANOW: Fine. Thank you.

ASSEMBLYMAN BAER: Is Eileen Martini here?

E I L E E N T U L I P A N M A R T I N I: Yes. My name is Eileen Tulipan Martini. I am Legislative Counsel to Dr. Paul T. Jordan, the Mayor of the City of Jersey City. I am also Attorney to the Jersey City Rent Leveling Board.

Jersey City is a City in which 60% of the population earns an income less and far below the median income for residences in New York-New Jersey Metropolitan Area.

As a result of the income levels in Jersey City, we find that we have a housing problem that's quite different than that which exists in many other areas of our State.

We have serious problems with rental housing in the City of Jersey City. In fact, as a result of the critical housing shortage, our very low vacancy rate which is running about 3%, and the many apartments which are renting for rentals which our average families could not afford, we reacted to that type of problem and enacted a rent control ordinance which has been in operation for about a year now.

We find, however, that controlling or regulating tenants' rents does not solve all of the problems that we have in housing in Jersey City. We find many tenants who try to use the offices of the Rent Control Board to deal with other housing problems, problems that the Rent Control Board, of course, has no jurisdiction to deal with. Our

experience with these problems has clearly pointed out that there are many aspects of the landlord-tenant relationship that are in further need of legislation, including and most particularly the right of a landlord to evict a tenant with no reason being given.

As long as the landlord has met the jurisdictional requirements of N.J.S.A. 2A:18-53, et seq, and as long as the landlord is not retaliating unlawfully against the tenant for First Amendment activities, tenant organizations complaining to local authorities, as long as the landlord is not discriminating illegally in violation of the New Jersey Civil Rights Act, a tenant may be evicted.

In a very tight housing market, this works tremendous hardships on many tenants who simply have no choice in terms of finding other suitable housing accommodations at rentals which they can afford.

Being evicted requires families not only to move and incur expenses of moving, being evicted and moving usually requires a changing of schools, the leaving of a particular neighborhood and community, the leaving of friends, family, and often removing oneself from a particular proximity to employment.

It is our position that the citizens of Jersey City as well as the citizens throughout the State of New Jersey must be protected. We feel that it's high time that the right to housing be recognized as a right and a guarantee of the citizens of this State.

We feel that as a municipality without a vested interest - we are neither landlords or tenants - we do not wish to take a particular position in terms of the specifics of either of the bills, either Assembly Bill 58 or Assembly Bill 943. We would just like this Committee to be fully aware that we feel that tenants must be protected from arbitrary eviction.

As to the particular workings of any particular bill, as to the particular reasons for what would be considered a proper basis of an eviction, we feel that there are many points that are going to be argued pro and con by both tenant groups and landlord groups. Our concern, however, is that tenants be assured of their rights to housing.

In relation to the security deposit amendment, Assembly 232 and Assembly 284, it appears that both of these bills are important in bringing into agreement various sections of the security deposit law. For instance, 232 most clearly is in need of amendment, that if a transfer of the building takes place and the prior owner who is the trustee for the security deposit funds transfers that account, clearly the interest should be transferred.

Also Assembly Bill 284. We see no particular difficulty on the part of the landlord and we certainly see the advantage to the tenant, that the tenant be apprised of the date that the security deposit has been turned over into an escrow account.

We do find, however, that many tenants reach out to us asking for help in not only the return of the security deposit, which may be handled through the Small Claims Court after the tenant has removed himself from the premises, but we find many tenants complaining that they have been in their premises for a year or their lease has expired and been renewed but they have not received their accrued interest.

We feel that while neither of these bills address themselves to that problem legislation should be introduced and adopted that would address itself to that problem.

We often deal with tenants who either reach us in our Rent Control Office, in the Mayor's Office, or in our Mayor's Action Bureau, which, may I explain, is a

number which residents of the City may call to get help in all areas of either dealing through government bureaucracy or to get information in various other areas that might affect them. We function as a referral service when it's not a municipal service. But we often find tenants calling us. And in my experience, prior to working with the City of Jersey City, in my experience with Hudson County Legal Services I was often aware of tenants reaching out for help in imminent danger of being evicted, tenants who had had no prior notice of the eviction until they had received the warrant of eviction.

Apparently in Hudson County the practice is that tenants are not evicted, based on a warrant of eviction, in the middle of the night nor are tenants evicted on weekends. However, this apparently is not the practice in other counties. We feel it is very important that tenants at least be given three full days, three working days, to make arrangements to find further accommodations and to move. It is very difficult to do this on a weekend. I am sure you are aware of that type of problem.

Also the inclusion for tenants who have defaulted, assuming the tenant has not been present at the summary proceeding. By the way, tenants, of course, often are not present because they have no notice of the proceedings. I'll get to that when I reach the other bill.

Many tenants do not know that they have any right to apply to the Court for stay of the execution of the warrant. We feel notice of that right on the warrant itself is certainly fair. I don't see how the landlord can in any way find this adverse to his rights. It's merely a matter of indicating what certain rights are to people who often do not know. And we're talking here about an important aspect of life, one's home.

Assembly Bill 947 - may I indicate the municipal

point of view. We often have buildings in which there are emergency situations and we cannot reach the owner or somebody with authority so that we can notify them of the problem. We have fires. We have boilers that conk out on freezing nights, and all of the other problems that I am sure you are aware of where emergency service must be provided. And we certainly have the right, as a municipality, to go in and make the necessary repairs, provide emergency service. And on occasion we've done this. But we certainly would like to be able to reach a landlord and indicate there is a problem in the building and give the landlord the right and the first choice, certainly, to make the repairs that are necessary on his building. I am sure most landlords would prefer that. They have certain workmen, they have contracts, and I am sure they would prefer to go that route to make the repairs than to have the city come in and make emergency repairs.

By the way, just in passing, the first speaker indicated an objection to the name and address of holders of mortgages being included in this list. May I indicate that, although that is certainly not the intent of this bill, representing a municipality we would have very good use for that kind of information. We have particular owners whose buildings are in substantial code violations. And I am quite sure that if the City, after trying to work with that type of an owner to have the building brought up to code standards, were to notify holders of mortgages that pressure might be brought to bear on the unwilling landlord by the mortgage holder.

Let me clearly point out that we are not in any way indicating that all landlords in Jersey City are operating in a situation where we would have to take these measures; they certainly are not; but some are.

Assembly Bill 951. I think the Committee is clearly

aware of the serious problems that exist in terms of effectuating personal service on defendant tenant in summary tenancy matters, be they based on notice to quit or on nonpayment of rent.

It's clearly understood, in fact we even have a term for it, that tenants do not receive process, and we call it sewer service.

The intent of this bill is clearly to make sure that tenants do have personal knowledge of the action pending against them. However, I wonder, members of this Committee, why tenants and why summary eviction proceedings have different rules than all other cases of litigation. In no other situation of service of process, except in matrimonial action where substituted service is allowed by publication, am I aware of a situation where substitute service is allowed. I have serious problems with understanding why a tenant should not be assured of personal service as defendants are in almost all other matters. I think the postcard idea is very good but I don't think it goes far enough. I think that it's high time that a tenant be entitled to personal service and not by substitution of personal service. I think if mailing service is allowed in tenancy actions, then mailing service should be allowed in all other actions. If mailing service is not to be allowed in other actions, then it should not be allowed in tenancy actions.

Assembly Bill 953, which deals with providing certain security measures - it's an optional piece of legislation. It would allow municipalities to pass such an ordinance. However, it would not provide for a uniform ordinance. On page 1, line 6, it indicates that --

ASSEMBLYMAN BAER: I'm sorry. What was that number?

MS. MARTINI: Assembly Bill 953, which would be the municipal option security devices - on line 6 of page 1

the language states: "Any such ordinance may require the provision of any or all of the facilities..." May I indicate that if the concept of the Committee is to have uniform security measures throughout the State based on a municipal option of course based on a finding of need that this language would allow an ordinance with only one of those measures or two or all. And I submit that we still won't have that kind of uniformity in terms of security measures.

Under police powers, municipalities do have the right to provide in their property maintenance codes security measures for tenants. Jersey City does. Jersey City requires a locked front door and peepholes on the apartment doors and a buzzer communication system.

May I indicate that if it's the feeling of the Committee that they wish uniformity, this bill doesn't go far enough, that all ordinances should be uniform requiring the same security measures. If the feeling is that our cherished tradition of home rule shall be maintained, then any municipality under their police powers may impose an ordinance requiring tenant security measures based on what they find is needed in relation to the type of housing and the type of problems that they have in their community.

Assembly Bill 954 is not municipally concerned. We do not appear from our experience municipally to have much problem in the area of subleasing in the City of Jersey City.

Assembly Bill 1048. With the critical housing shortage that we're having in many areas of New Jersey, the rental market is clearly ripe for this type of abuse that this bill is meant to deal with. We certainly agree with the concept in terms of the methodology of dealing with this problem. I'm not quite sure of the workability of

this particular piece of legislation. I do not have suggestions for another piece. However, again may I indicate we recognize there is a problem but we feel the solution is one that landlords and tenants will have to have their own input on it in terms of lists of availability of apartments.

May I indicate that discrimination abuses are covered by the New Jersey Civil Rights statute.

Assembly Bill 1060 - The Truth-in-Renting Act - we feel suggests a very good idea. As it stands right now, the Department of Community Affairs has in the past published pamphlets on tenants' rights. The City of Jersey City has published a small pamphlet handout on tenants' rights. And we are aware of many other municipalities that have done the same. But that is a kind of hit or miss thing. If a particular community happens to have some fund and is able to devote certain funds toward providing this kind of information or is able to get a grant from a specific area. What the Truth-in-Renting Act proposes to do is clearly make sure that every tenant receives this information. We feel it is a good idea. We feel it is important that tenants be aware of what their rights are and have information as to where and through what channels they should go to enforce their rights.

In terms of who should be responsible for distributing that information, where the burden should lie in terms of the cost of distribution, I see no fiscal note with this bill. I think whether or not this is feasible is certainly a matter for the Department of Community Affairs, whether they have the funds within their budget to prepare such information. I seriously doubt if we would be talking about information in four volumes or anything that extensive. I didn't read this bill as that being

the intent.

Assemblyman Baer, since you are the sponsor, perhaps you can just indicate whether that was your intent, such extensive publication. I did not interpret it that way.

I feel that as much information as we can give to our citizens on all aspects of their lives on important measures in parts of their lives - I certainly think that we should do this as often as we can.

Assembly Bill 946 deals with conversion of rental housing into either a co-op or condominium ownership. We have virtually no conversion of that type occurring in the City of Jersey City. Our rental housing market is not that type of rental housing market. Therefore, I will not address myself to that.

ASSEMBLYMAN BAER: I'll lead off with the questions at this point.

So far as the sponsor's intent on 1060, it was not intended to require volumes and, in fact, the bill does not require volumes. It is intended that what would be prepared would be something that would be possible to attach to leases or to be handed out with rent receipts when there are no leases.

I think we have all seen simplified versions of some of these legal requirements in situations reduced to a page or two, on the back of a bill of lading or in various other situations. I think such a thing could be easily provided and the Department of Community Affairs would have the capacity to condense what is the sensitive body of law to relatively few pages and do it, since public hearings are required, in a way that would be fair to all the parties involved. As you well know, as an Attorney, any time the law is condensed there is controversy over what it means, to say nothing of when it's not condensed.

Secondly, the intent of this act - and it's a section that has received very little attention but I think is one of the most significant - section 6 - which is very important and provides for something different.

Many leases today contain provisions that are utterly in conflict with the law, provisions in which the tenant waives his legal right to due process and in which a landlord waives his responsibility to carry out certain things which he has an obligation under the law to carry out and which are unwaivable. The effect of these provisions being printed in leases today is solely one because they have no legal impact, but the real impact is to deceive the tenant into believing that his legal rights or her legal rights are waived or that the tenant is not responsible for things which in fact he is. And it's as devious and improper a form of fraud and misrepresentation on the tenant to rob the tenant of the rights as any that occur elsewhere in the marketplace where we do have strong provisions for misrepresentations, for instance in consumer laws.

I hope your answers won't be as long as mine was to your question.

In regard to your comments on the mail service, I wondered whether you were under the impression that the bill provided for a substitute of mail service for the present form of service or whether you understood that it was an additional form of service.

MS. MARTINI: I recognize that it's an additional form.

ASSEMBLYMAN BAER: So far as your comments on notifying the mortgage holder of violations, in fact as the sponsor of the bill that you were referring to that included that, in fact that is one of the main reasons that that is provided there. And I am sponsor of a

companion bill that is not a subject of the hearing today because I think it was introduced a little later - you might remind me of the number of that - which requires in fact for the holders of mortgages to be notified of violations. It doesn't mandate them to do anything but it at least assures that this be disclosed. I think it's called The Violation Disclosure Act. So that it can have the effect that you suggest. And, in fact, the requirement is in this bill so that a municipality that wishes to do that is not faced with the tedious process of trying to search out a deed to find out who to notify but that there would be available readily these registrations of this information. That's Assembly 950.

The only further question I have is in regard to your comments on 1048, which were kind of vague and general and I would like to, if I could, draw you out a little further as to what you feel should be done in this area. That's the Truth-in-Housing Availability.

MS. MARTINI: May I indicate that what often happens is that a tenant looks for an apartment and is told that the apartment is not available. And assuming that this is not a discrimination that's actionable on the part of the tenant through the Civil Rights Division, we still find that the tenant has been unable to secure those premises and that the tenant must go elsewhere, and going elsewhere may create a whole series of other problems for the tenant, some of which I discovered earlier, the same kind of problems that an arbitrary eviction creates. This particular premise was in the right neighborhood, it was close to work, the children would have had to move to other schools, or whatever.

Even forgetting the problem of the under-the-table key money, because that may not be such a problem in Jersey City. I think that's a problem that we see more often in

newer highrise and garden apartment buildings. That doesn't mean we don't see this in our highrises in Jersey City, particularly my building.

What this piece of legislation does if it doesn't protect the tenant, the landlord is subject to penalty but the tenant who has been forced to go elsewhere for whatever reason has still been forced to go elsewhere. This bill does not address itself to that. This is a serious problem. Our concern is not with penalizing a landlord, as a municipality; our concern is that our residents be able to find suitable accommodations as easily and with the smallest amount of trauma as is possible under the situation of our tight housing market.

I am not prepared and I don't know if this Committee is or if anybody is prepared to find a way to open this area up so that the tenant doesn't have the burden of finding other quarters elsewhere. And, of course, once a tenant has been refused, has found other accommodations and has moved, they're not going to move back. Moving is an expensive proposition. But penalizing the landlord still doesn't help the tenant in this particular situation.

ASSEMBLYMAN BAER: Thank you.

Assemblyman Herman?

ASSEMBLYMAN HERMAN: I was wondering whether Jersey City has adopted local legislation to deal with the emergency dwelling commissions that are now permitted to overcome this problem of emergency repairs.

MS. MARTINI: Yes, we do have the right and we've adopted legislation. However, may I indicate that often the repairs are expensive. The city may have a lien on the property for the repairs. We are experiencing, as many other older urban areas are, the very sad phenomenon of an alarming rate of housing abandonment. We would prefer not to have further liens on property, particularly if it's a

marginal building. And with liens of this type, the landlord is going to let the building go. In a building that this course is one that is financially feasible, we would certainly like to be able to reach the landlord and indicate that there is a problem and allow the landlord at least the option of making the emergency repair. As it stands now, we do have a registration. However, it is often very difficult to reach the right person.

I think what this bill requires is a registration with much more information. And I think with the extensive information that's required here the municipality is bound to reach somebody in an emergency situation. What we might have now is the name and address of somebody who is on vacation in Europe for two weeks and that's it. That's a serious problem.

May I also speak to that bill, if I may, as a tenant and as President of the St. John's Tenant Association in Jersey City which has 500 members.

Our building, I'm sure, is similar to many other buildings - absentee corporate ownership, a managing office that's open from 9 to 5 and not on weekends. It's a complex of two highrise buildings. There is supposedly one person on duty for off hours, weekends and evenings. We've had two fires recently and on both occasions the firemen could not reach access to certain areas because the particular person who was supposed to be on duty that night just wasn't there, and the other person expecting a night off was out, as that other person was entitled to be. There was no person to reach. This is a serious problem that tenants are faced with. If there is an emergency and if the person who is supposed to be on duty that night is not on duty, the tenants have no one to reach. An emergency is not only a fire where municipal authorities can of course respond but of pipes that break in the middle of the night - and it

happened to me - of toilets that start overflowing on a Sunday, and this happened to other members of my Association, and often there is nobody to reach and that is a serious problem. And I think the tenants must have that information.

And on a Sunday, may I indicate, or at night or on weekends, the tenant cannot reach the City Clerk to get that information.

ASSEMBLYMAN HERMAN: That was one of the points that I think was raised in the questioning of the first witness.

Listening to you speak, what would be the position of Jersey City as to legislation that would permit, as it does in other areas, municipal receivership after delinquent taxes of one year to overcome the problem of --

MS. MARTINI: We may now go in for municipal receivership after delinquent taxes of six months. May I indicate that the City is not in the business of being a property manager. We don't wish to be in that business.

To deal with some of the other problems that I've indicated with the housing market, the City of Jersey City has been active for the last two years in trying to have legislation enacted that would accelerate foreclosure of properties on which the city holds tax title liens. Our hope there is that when it's clear that the private sector is not interested in a property and this has been shown by no one in the private sector purchasing the tax title lien, that when the city is the holder of lien that they at least get title before the two years that are now minimum so that maybe we can salvage a building. What we find now is that at the end of two years often what we've got is a piece of property that we have to demolish because it has been totally vandalized. And we would like to get title a little sooner than that.

ASSEMBLYMAN HERMAN: In regard to your excellent testimony that's the one point where I might express a

philosophic difference with you. I believe that not only Jersey City but every city has a vested interest in its property, not only from the standpoint of taxation, which is necessary, but certainly maintenance. Perhaps I'm taking your phraseology out of context when you said you didn't have a vested interest in either the people or the property owners. I think it would perhaps be more adequately stated that you had a very serious vested interest in both.

MS. MARTINI: Well, yes. What I meant was that I can't be partisan on either side. It becomes very difficult for me as a tenant leader in the municipality. That's why I addressed myself or certainly tried to as Legislative Counsel to the Mayor.

ASSEMBLYMAN HERMAN: But from the City's standpoint --

MS. MARTINI: From the City's standpoint, we are doing all that we can to maintain and upgrade our housing stock. However, there is a serious deterioration problem. And we have a further serious problem when we find ourselves in a position where we are holding the tax sale certificate where the building has been abandoned often before the tax sale, where there is no income, or if there is a tenancy in the building the income is insufficient to do the kind of rehabilitation that is necessary. That's why we feel that in those situations if we are able to foreclose earlier, if we are able to gain title earlier, we then are in a position where we can, through nonprofit corporations, through limited dividend corporations, through various other interested groups dispose of the properties and help do whatever we can to rehab these buildings. But when two years go by, from the time of tax sale, which is actually close to four years from the initial delinquency, our experience

and that of Newark, Trenton, Camden, and all of the other cities with similar types of housing find that there is just nothing left in the building.

ASSEMBLYMAN HERMAN: Thank you.

ASSEMBLYMAN BAER: Assemblyman Ruane?

ASSEMBLYMAN RUANE: I would like to ask you - it seems as though this isn't necessarily a one-way street. There is such a thing as personal hygiene and personal pride in where you live.

MS. MARTINI: No doubt about it.

ASSEMBLYMAN RUANE: I mean, can we address ourselves to it not being 100% against any one party?

MS. MARTINI: In terms of deterioration?

ASSEMBLYMAN RUANE: Yes.

MS. MARTINI: I'm not blaming landlords for this type of deterioration. When you're talking about buildings that were built at the turn of the century or the early part of this century - plumbing just has a useful life for so long, it's going to fall apart; boilers have a useful life of only so long, and they go. The problem is, in a city with a high tax rate, as all of the larger municipalities have, with old buildings that deteriorate naturally. And, of course, in many instances deterioration is hastened by vandalism. And particularly once you have an abandoned vacant building, the vandalism is rampant, pipes are pulled out of the walls, the building is physically destroyed. This is a serious problem.

What we're talking about is older buildings that will at certain periods of time, certain fixtures or structural aspects of the building will reach a point where they need replacement or rebuilding. And we recognize this. We're certainly not blaming the landlords for this.

ASSEMBLYMAN RUANE: That's what I am trying to get around to. We're State Legislators and the problems of Jersey City are not necessarily the problems of Montclair or Bloomfield, etc. And I say that in the last election we all talked about home rule and I know that in my own municipality of Bloomfield we have strong town ordinances and these problems are more efficiently expedited through local officials. It seems to me as though we are being asked to more or less to legislate morality on everyone's part, on the city fathers, on the landlord, the tenant. The problem is just go down to Trenton and we hear it from the landlords and from the tenant organizations that we are not doing our job and I submit that we are trying to.

MS. MARTINI: May I respond to that by indicating that virtually all of the legislation here, except for The Tenant Security Act, is legislating into new areas. The municipality has no authority to stop an unwarranted eviction. The municipality has no authority to deal with the truth-in-housing availability. The municipality has no authority to deal with effectuating service on tenants of summary dispossess actions. The municipality has no authority to deal with evictions, with evictions being carried out at night or on weekends or holidays. This legislation is addressing itself to areas in which the State has clearly preempted the field in terms of dealing with summary dispossess actions, to areas in which the municipalities have no authority whatsoever. And as well intentioned as a municipality may be, as concerned as it may be, in many of these areas there is just no jurisdiction or authority for the municipality to act.

ASSEMBLYMAN RUANE: I was just going to comment that for the most part these bills do have my support but I would like everyone at all times to try to understand

that this problem is widespread and it is not just one particular group.

MS. MARTINI: Oh, we certainly do, we clearly do.

ASSEMBLYMAN BAER: I just want to ask one brief question because I had hoped we could hear another witness before we recess, and that is in connection with your point as to wanting all forms of service similar, and if we're going to have mail requirement in landlord-tenant situations it should be required in other situations.

Do you know whether sewer service in landlord-tenant situations is a problsm in your area?

MS. MARTINI: Yes.

ASSEMBLYMAN BAER: And, secondly, do you have knowledge that sewer service is a problem in these other areas of service which you're proposing that these corrective steps also be extended to?

MS. MARTINI: I do have personal knowledge that sewer service is a problem in the City of Jersey City. As I indicated, we often have tenants reach out to us for help whose first indication that a proceeding was in progress against them was when they received the warrant of eviction, which means they were totally unaware of the court appearance.

ASSEMBLYMAN BAER: All right. Let's move on then to the other area. Do you know of others?

MS. MARTINI: No, I don't. The point that I wish to make is not that we're seeing these types of abuses in other areas, the point that I wish to make is that perhaps personal service or substitute of personal service by tacking, which is allowed under the 2A:18-53 summary dispossess group of proceedings - perhaps that's what the problem is. Perhaps it's the tacking. Because when you take a multi-family dwelling where things are

tacked on the door or slipped under or however they're effectuated, they get removed - kids playing in the halls. You know, we're not talking about an area where people have nice backyards to play in. Kids play in the halls in Jersey City because there is just no other place to play when it's cold and raining outside. So that may be the reason they may be pulled off, or junkies in hallways pull things off, but for whatever reason tenants don't receive process. Tacking does not function to get them that service.

What I am indicating is that in my opinion a tenant should be entitled to a personal service as defendants are in most other actions. And rather than this mailing, which I think I indicated is certainly a step in the right direction, I don't think it goes far enough, I would like to see personal service.

ASSEMBLYMAN BAER: What you would like to see is elimination of tacking requirements.

MS. MARTINI: Yes, I would.

ASSEMBLYMAN BAER: All right. Thank you very much. And, again, on any of these where you want to submit to us any specific language on any of the changes that you indicate you feel should be made, we would certainly welcome that.

MS. MARTINI: All right. Thank you.

ASSEMBLYMAN BAER: Now I would like to hear from Mrs. Bess Gollin from the Hudson County Rent Payers Organization.

M R S. B E S S R. G O L L I N: Chairman Byron M. Baer, Representatives of Tenant and Landlord Organizations, Agents and others assembled here:

I am Bess R. Gollin, Chairman of the Hudson County Rent Payers Organization and President of the Jersey City Rent Payers Association, Inc., for the past fifteen years, since the demise of rent control.

I am not going to speak on these ten bills, I'm just going to make a statement between tenants and landlords. These bills will be taken care of in Trenton later on. They are not all correct but we can do that once we get into the session.

Rentals in the numerous counties, Hudson and Bergen Counties as well as throughout the State, have become another tail on the inflation kite. Add the increased cost of keeping a roof over their heads to the abuses upon tenants by absentee landlords and agents as well as slumlords and you have the basis for a deluge of complaints.

Some of the rent hikes are justified by the increased maintenance costs and rising property taxes. In the cases where the owner and the tenants share costs, there are no gripes. Each is considerate of the others headache and a satisfactory middle ground is established.

What has raised the clamor for a rent control law, and the officials are listening, is the ever-mounting disregard for the needs and wellbeing of tenants by realty speculators and investors drawing all they can from their properties. Yes, and many purchasing properties without any investment at all, taking over same with three and four mortgages, and milking the houses for all they can get so as to pay off on these mortgages with high interest, getting high rents out of proportion and disregarding rent control laws now in effect, taking advantage of unprotected tenants who are suffering because of the housing shortage which is well known by all. The owners contribute little or nothing to the maintenance of the dwellings, allowing them to fall into disrepair and inviting invasions of disease-carrying vermin and rodents and making slums out of these conditions.

Tenants will frequently undertake decorating and repairs to their apartments and absorb the costs, but their ability to assume the additional costs of tenancy is reaching its capacity. The complaints become more vociferous when their efforts to keep their living quarters neat and modern are rewarded by a further rent hike by these unscrupulous landlords.

Many families are being driven from the areas in search of homes carrying more reasonable rental rates. In the majority of cases, mothers are compelled to seek employment inflating the family's domestic problems. Each circumstance draws something from the community and retrogression tends to be accelerated.

But the hapless tenants may draw some encouragement from the efforts of the New Jersey Supreme Court decision some time ago to have any municipalities who wish to draw up their own city rent leveling laws to do so, because of the New Jersey Legislature's failure to take some action in behalf of the unfortunate rentpayers who had no one to turn to in their hour of need, and because they, the Supreme Court, realized the housing shortage in our State was so bad, they had to do something to ease the minds of the rentpayers.

In the meantime, we are hoping to have a State rent control bill put before the Legislators, where all cities in the State will be guided by all laws equal to all cities under the State's jurisdiction.

During the interim, however, - for it will be a matter of time before the Legislature assesses the rent control matter - why not apply some pressure on the inconsiderate landlords who still gouge tenants for whatever reason motivates them, though even illegal.

Protection from unjust levies and inequities is sufficiently important to warrant the attention of

a legislative investigative commission.

Coercive actions to prevent from reporting building deterioration and unsatisfactory conditions to proper authorities, making lease renewals contingent upon agreement to illegal increases, utilizing escalator clauses to obtain exorbitant rent increases out of proportion to the tax and operating expense hikes must no longer be allowed to prevail.

It also must be borne in mind that no one begrudges the landlord a fair and equitable return on his investment. Real estate is a business, like any other business and he must have a return on his investment. We are only against the unscrupulous and absentee ones who take no interest in their properties, only looking out for their own benefit.

Since the demise of rent controls, a large number of bills have been passed and are still in effect in behalf of the tenants and landlords alike, but we can truthfully state that the majority of the landlords disregard the laws, and take it upon themselves to do as they wish, knowing too well that because of the housing shortage throughout the State, especially in densely populated areas the problems are greater than elsewhere and, therefore, take advantage of this situation and through their unreasonable and greedy demands are inflicting untold sufferings upon an unprotected people. Thus a condition of this kind must be halted and something must be done about it soon.

In the meantime, tenants are not asking for gold doorknobs or silverplated items, all they ask for are the services they are entitled to for the high rents they are paying, and they are getting none of this. Landlords need tenants and vice versa, so both should ease the shoulders of the other's problems.

ASSEMBLYMAN BAER: Thank you very much, Mrs. Gollin.

MRS. GOLLIN: I will be down in Trenton. I have been a lobbyist for 15 years so I will be down on the other bills some other time. I just wanted to get this off to let you know that between the tenants and landlords what is going on with the laws. It's not good. So we have to do something and I hope we have a State rent control law so it will be even on all basis.

ASSEMBLYMAN BAER: Thank you.

Are there questions by the Committee?

Thank you very much.

We were going to break at one, in five minutes. Is there anybody who is certain that they can limit their testimony to five minutes? Yes, sir. Would you come forward.

S I D N E Y H. K O O R S E: I am Sidney H. Koorse, a Real Estate Broker with offices in Jersey City. I appear today as President of the New Jersey Association of Realtors.

The New Jersey Association of Realtors is a trade association of real estate licensees with a membership in excess of 10,000. Within the State membership can be found individuals who specialize in all phases of the real estate industry. For example, I am a member of the Institute of Real Estate Management entitled to use the designation of Certified Property Manager. Membership in the Institute of Real Estate Management is professional recognition of expertise in the field of real property management.

The New Jersey Association of Realtors appreciates the opportunity to be heard today on the legislation under review. We share the Legislature's concern for improved relations between property owners and residents.

We disagree with some of the approaches.

At the outset, I would like to make the New Jersey Association of Realtors' position clear in that we do not favor a piecemeal approach to the problems of owners and residents as advocated in the series of bills listed for this public hearing today.

We urge the New Jersey Legislature to reconstitute the Landlord-Tenant Study Commission, which was active several years ago. A comprehensive review of all areas of mutual concern and their interrelation to one another offers a more realistic long-term solution to the present course charted by the Legislature. We are hopeful that the approach we have advocated will receive serious consideration.

I was going to go into each and every one of the bills but because of the pressure of time and you have a lot of other witnesses, let me cut it short in this manner.

I concur with most of the testimony of the first witness, Mr. Herzog. Let me just point out the differences and I think that will cut the whole thing short.

Assembly Bills 232 and 284. We have no objection to these bills, which are intended to correct legislative oversights in prior legislation.

Assembly Bill 1048. The New Jersey Association of Realtors supports this bill. We believe that property owners have a responsibility to represent accurately to all members of the public the availability of housing under their control. If and when a mistake is made, it should be corrected as soon as possible.

Bill 951. We're opposed to this bill. While we're desirous of seeing that residents receive due service

of dispossess notice, we feel it is improper to place additional responsibility on the owner for the alleged malfeasance of an officer of the courts. Why should the owner be placed in this position?

And I want to point this out, that many times when apartments are vacated after somebody has been served with a dispossess warrent, we find that summons laying there, people who said they never received it. Very frequently they do get it but they deny they have it.

The sponsor of this Bill, if he has information that the practice of sewer service is prevalent in New Jersey, has a responsibility to call this matter to the attention of the proper court official. Passage of this bill will cast a cloud over the courts and our Association feels, before this is done, more consideration should be given by this Committee.

Now Assembly Bill 953. We're opposed to this bill.

The authority given to local municipalities in the Tenant Safety Act would, in many instances, force the owners of multi-family housing into expenditures that would not be economically feasible, particularly in older buildings, such as we have in Jersey City.

Those of us with experience in dealing with local government find that oftentimes what is practical is not the guiding factor. Section 2b, lines 28 through 31, in Assembly Bill 953, in fact gives local government carte blanche authority in establishing safety requirements beyond those contained in this Bill. If, in fact, resident safety is a concern, why would this bill give the residents a vote to determine if they want the protective devices adopted by local ordinance. We're kind of confused with this bill.

And, incidentally, as far as safety precautions

in buildings, I don't think we can have the same measures in all communities. In the urban communities, how can you insist that we have doorbell and buzzer systems. We put them in, they're good for two or three days and then they are busted. This may be all right in suburban areas but they just will not last. This just doesn't work.

Assembly Bill 1060, discussed a while ago, we support the concept embodied in this bill but we object to the responsibility placed upon the property owner. While we favor the publication of a statement spelling out the rights and responsibilities of owners and residents, we do not feel the owners should be made to pay for the pamphlets and see that they are disseminated. If a tenant wants a copy of the State publication, he should take the initiative and send for one and pay for it himself.

There is no objection to requiring the owner to have a copy available on the premises. However, to ask that he be responsible for supplying the document to all his tenants is unfair.

Mr. Herzog volunteered to do some research and prepare some information for you. We would be happy to cooperate and work with him. I think that is something that we can handle in say sixty days.

Thank you for the time.

ASSEMBLYMAN BAER: Thank you. Will you be submitting any information to us within the next week?

MR. KOORSE: What I can do, if you wish, - in a rush to get here I had all my testimony prepared and I forgot to bring copies. If you would like a copy of all that I was about to say, I will be very happy, when I get back to my office tomorrow, to mail them out to you.

ASSEMBLYMAN BAER: We would very much appreciate that. Is that a copy that you have there?

MR. KOORSE: This is a rough copy. I made some changes here because I wanted to cut it short.

ASSEMBLYMAN BAER: All right, if you would provide that.

MR. KOORSE: I will be most happy to.

ASSEMBLYMAN BAER: You know who to send it to. Mr. Bryan will tell you.

MR. KOORSE: I will see him before I leave.

ASSEMBLYMAN BAER: Very good. We will recess now and return. Because of the possibility of the room becoming overcrowded, there is now available a somewhat larger room, room 207. We will try to begin at 2 o'clock. I think we will begin at 2 o'clock because we still have a number of witnesses.

The meeting is recessed.

(recess for lunch)

Afternoon Session

ASSEMBLYMAN BAER: The afternoon session of the Landlord-Tenant Hearing of the Assembly Commerce, Industry and Professions Committee will come to order.

The first witness will be Mr. Wisniewski of the Morris County Tenants Association. Now I know there are two witnesses from that Tenants Association. I am not sure who wants to be heard first.

MR. EDMUNDS: I have requested to speak first.

ASSEMBLYMAN BAER: You want to speak first. All right. Then we will hear Russell Edmunds.

R U S S E L L E D M U N D S: Good afternoon. My name is Russell Edmunds. I am the Past President and liaison officer for the Legislative Review Committee of the Morris County Tenants Association.

Before I begin my remarks, Assemblywoman Rosemarie Totaro asked me to mention that she had intended to come here and make a statement in behalf of several of these bills, but pressing business in the district made it impossible for her to do so and she asked me if I would submit the following statement for the record in writing.

(Written statement of Assemblywoman Rosemarie Totaro can be found beginning on page on page 104A.)

ASSEMBLYMAN BAER: I would like to suggest since this statement is not being read that Mr. Bryan provide copies of it to the Committee members as soon as possible.

Proceed, please.

MR. EDMUNDS: I should like to preface my more specific remarks on the bills before the Committee today with a few items of a more generalized nature by way of introduction.

The Morris County Tenants' Association is an independent tenants' group, representing tenants throughout Morris County. The Association and the two preceding organizations

which merged to form it, namely the Troy Hills Village Tenants' Association and the Knoll Gardens Tenants' Association, have been active in the legislative area for their nearly four years of existence. We have appeared before Assembly Committees in the past, and we have submitted formal written statements in the past. Throughout this time, not one bill which we have had the occasion to comment upon in hearing has become law. In fact, in the last session of the Legislature, only one bill in the area of tenants' rights was approved. We wish to take this opportunity to remind the current Legislature that in the area of tenants' rights, New Jersey law is still in the twelfth century, when the landlords treated their tenants as serfs who had no rights. The 1970-71 Legislature helped to correct this situation somewhat with several valuable bills; however, that was only the beginning. Inasmuch as an estimated 45 percent of the population of this State rent their living quarters, it is long past time to give tenants their fair share of protection under the law. Tenants cannot continue to be accorded second-class citizenship. They must be liberated from the domination of the landlords. We realize that not all landlords are oppressive, nor are all tenants living up to the responsibilities which go along with their aforementioned rights, however, nonetheless the laws must be brought up to date. We applaud the prompt action of the Assembly, this Committee, and its Chairman for their prompt attention to these tenants' rights bills.

For your information, the vast majority of members of the Morris County Tenants' Association are middle-class suburban tenants residing in garden apartment complexes. Although our primary roots still are in Parsippany-Troy Hills, we represent tenants in Randolph, Mount Olive and Morristown as well. In most of these areas, the apartments in question were built within the last ten years. During

this time, rent increases have far exceeded the cost of living, even through the past two years of rampant inflation. Likewise during this time, services which were and should be part and parcel of the lease agreement have been reduced; extra fees for "luxury" items which suddenly become mandatory where they were once voluntary are becoming more prevalent; landlord abuse of tenants is still rife despite the passage of the Tenant Reprisal Law and despite our own organization's successful court defenses of it. The reason for this is simple. It is because the demand for moderate-cost rental housing in New Jersey has far outstripped the supply. The normal checks and balances of the free enterprise system have been thereby rendered inoperative, as each and every tenant must live in constant fear of displacement, either by court order or by systematic harassment by his landlord or superintendents. This fear is irrational at times, but so long as the only protection against it is in the courts, the time, expense, and aggravation which must naturally follow make most tenants unwilling to utilize this right. There are likewise many more subtle forms of harassment not covered by the reprisal statute which can be brought to bear on the tenant who stands up for his rights.

The Landlords and Builders lobby is a strong one, and they have effectively blocked meaningful tenant-protective legislation in order to serve their own private interests. Housing is a public necessity and a public right, and it is not within the rightful province of anyone to subvert this consideration to any other, least of all the insatiable greed shown by some landlords.

The bills before this Committee today are generally aimed at setting forth certain parameters for the actions of landlords with respect to their tenants or prospective tenants. Although perhaps the most important tenant bill

now pending before the Assembly, Bill Number A 193, is not among them. We have before us a group of bills which will measurably improve the tenants' lot in New Jersey if they are passed. It must be pointed out, however, that the aforementioned problems posed by recourse through the Judiciary system must be met head on, and dealt with by A 193 or its equivalent before the majority of tenants will be able to take advantage of them.

We do not say that all of these bills are equally important, nor do we say that they all lack the need for improvement. We do say that they are positive steps in the right direction. Our Association has as a regular part of its structure, a Legislative Review Committee, which carefully examines each and every tenant-related bill which is introduced before the Legislature. During the past year, we have compiled a review document covering all of the bills introduced in the 1972-73 Legislative Session, which includes our position relative to each, as well as suggested amendments to many, along with other pertinent comments. It contains the texts of two formal presentations to the General Assembly during the past year, and a cross-index to convert the bill numbers from the 1972-73 session numbers to those of the current session wherever applicable. A copy of this document has been provided to the Chairman, and we hope that he will make copies of it available to all of you. If that hasn't been received yet, it probably came into the office this morning by mail.

I will now move to a bill by bill review, in capsule form, of the bills before the Committee at present, as taken from the over-all review document, and as enlarged upon at a meeting of our committee last evening.

Initially I shall speak to two bills which are similar in intent, namely, A 58 and A 943, both of which deal with setting forth specific causes which would be

legal reasons for the eviction of a tenant. While both of these bills are quite good, we feel that A 943 is a much more comprehensive and specific bill, and is most deserving of your affirmative action. We feel most ardently that this bill is the most important of those before us today. There are, however, several minor amendments which should be made. Initially, although the bill can be construed to cover non-renewal of a lease under the generic category of "evictions" our experience in the judicial area has shown us that unless a thing is most specifically spelled out, there will always be the spectre of a "question of intent" situation raised by the landlord in court. It would be a most simple matter to include this condition in the bill.

Referring now to specific sections of the bill, we recommend the deletion of Section 2A, as we cannot see why a tenant should be the innocent victim of a dispute between owners or principals of the complex. We likewise request the deletion of the words "or shorter" from Section 2D, as a tenant should always be offered the same or substantially the same terms and conditions upon lease renewal that he had previously. Likewise, we feel that this section should be further modified by the addition of the following: ". . . and provided further that the terms and conditions of this lease, inclusive of the rental amount, conform to all applicable State and local laws, regulations, and/or ordinances."

In Section 2E, we find that two areas are somewhat vague, and we suggest more specific language; namely, we object to the vagueness of the terms "serious violation" and "reasonable." In Section 2F, we find that the simple matter of a landlord having "made plans" to take action insufficient grounds for eviction. We recommend the substitution of "made binding, irreversable commitments". In the area in between, it might well prove useful to

require a public hearing on the matter.

In Section 2G, we request that the landlord be prohibited from removing a tenant for the sole purpose of making spurious or unnecessary alterations in the unit. Also in that section, we request that the three-day limit specified be extended to five.

In Section 2H, we strongly urge the limitation of the applicability of this provision to owner-occupied units of four or fewer units, as there is no basis for its universal applicability.

In reference to some of the earlier comments today for additional grounds which might be added to this bill, we full well agree with the proposition that consistent and regular delinquency in rent payment, and the taking in of boarders which might violate local laws, to be legitimate causes additionally for eviction. We have no objection to that suggestion. We do, however, feel that in many of the things that are brought up as far as evictions are concerned, there are local regulations which will allow for the removal of a tenant who becomes undesirable by virtue of creating a public nuisance in any way, shape or form, and that this is already a part of law and is already provided for and, therefore, need not be reincluded.

Moving on to two other bills which deal with the same area, namely, security deposits, we make note that our original review document is in error on its review of A 248, inasmuch as the bill is meant solely for the purpose of adding the date of deposit. We favor this change. A 232 deals with the transfer of interest accrued in any transfer of an apartment complex. We likewise favor this bill, but would recommend the inclusion of a provision to require formal written notice of the transfer to the tenant. A simple copy of the bank notice of action, such as is used to comply with the current requirements for initial

security deposits would be sufficient. We feel that the date being included on the notice, which in many cases is a form which is sent from the bank to the tenant, without the landlord having to do anything other than say, this has to be done, would cause no undue hardship, inasmuch as the service is being provided free of charge by the bank to the landlord who puts his money in the bank.

Moving on to A 940, we are in favor of this bill in principle. However, we feel that the time period specified for the effectuation of the eviction action is still too short in view of the severity of the housing shortage. We do, however, realize here that we are dealing with a minimum figure and that in certain cases there is judicial discretion involved. We wish to point out that many tenants do not realize that a simple letter from their landlord, telling them to vacate the premises, is not final. A large majority of tenants do not realize that there are court proceedings. I realize this will be covered by one of the other bills which is subsequent here. So I will dwell no longer on that.

A 946 is one of the bills which we feel is intended well, but which might be much improved. Although the tenant is protected by the Reprisal Law, its provisions do not specifically cover a reprisal in this area. We fear the possibility that a landlord might, upon losing a vote on conversion to a cooperative or condominium, and especially the latter, resort to systematic removal of all tenants who opposed the conversion, or to harassment of them. This bill must protect the tenants from this abuse. Likewise, we are distrubed by the prospects of 49 per cent of the tenants who might not agree with any conversion, being forced to look elsewhere for housing, especially in this time of shortage. We would prefer to see a requirement

for 75 per cent approval, although this may also prove to be inequitable. We feel that there is a neglect in this bill for people who cannot perhaps afford the financial commitment required for a condominium or a cooperative conversion. If they are already paying a large amount of rent, which in many cases they are, this is a good reason why many of them may not have already moved into houses or already purchased a condominimum elsewhere, as there are many condominiums being built in the State at this time. We feel that if conversions were made on a wholesale basis, i t might very well deprive people of housing, who might not otherwise be able to get it, except through straight rental housing.

A 947, which mandates proper identification of the landlord and/or his agents, is an excellent bill as it stands, and, as such, we heartily endorse it. I wish to add here that there has been some discussion as to the relevance of the inclusion of the mortgagee in this bill. Our Association three years ago undertook to notify the mortgagee of one of the landlords in Parsippany of numerous violations which would have been hazardous to the health, safety and welfare of the tenants living therein. We took photographs and submitted them with an itemized list. We also took the time to find out who the insurer was who carried the liability insurance on the premises. We supplied them with duplicates of the entire submission. And I can assure you that prompt action was taken by the landlord to rectify these situations. Now three years later, we find the same state of disrepair is once again cropping up and we are in the process of going through the entire procedure again. And we expect the same or similar results. So I feel this is a very valid inclusion and we, in fact, would be in favor of the inclusion of the insurer for the premises being required to be set forth in this notification as well.

Moving on to A 951, we again support this bill in its present form. However, we question in some cases whether or not the problems connected with the so-called "sewer service" are entirely the fault of the court officers. We feel this is pure conjecture and that there are many other things which might come into play here - as was mentioned previously, children playing in the halls; vandalism; a simple act of a good gust of wind knocking a tacked notice down. There are many other things that could come into play here. We feel there should be required additional forms of notice to insure that the tenant is served. And we feel that certified mail, for instance, is a very good way and that this would indeed accomplish what it is intended to do.

A 953 - while we support the idea behind this bill, we have certain reservations about its use for further gouging by some landlords. We all must admit the necessity for some safety devices; however, we must also admit that these items are not free. If the law does not require that these items be paid for strictly as a one-time-only surcharge, and require the cost documentation to prove that the cost has not been inflated, tenants will be subjected to inflated charges as a rent increase, which, as we all know, is paid year after year after year. In making this suggestion, we realize that we have now perhaps created an enforcement problem of sorts. We would suggest that an agency of the municipal government be charged with the responsibility for enforcing these provisions, as it is our contention that any municipality which has apartments on any scale, and does not have either a housing or a building agency, should be required to have one. The added expense of administrating this provision should not prove a hardship to an existing agency, especially in view of the potential hardship to the tenants if these changes are not made.

A 954 - subleasing. We seriously question the necessity of requiring subleasing to be allowed. While we do see the necessity for regulating it if it is allowed, we feel that the entire concept of subleasing creates a Pandora's box of problems for all parties concerned, the lessor, the lessee and the sublessee. While we concede the possibility that a landlord who prohibits subleasing is doing so to ensure himself of another rent increase, the prohibition also protects the tenant legally if he subleases his apartment to another tenant. If the intent is solely to prohibit the landlord from realizing an increase in rent, then it would be better to do the job directly by mandating that only one rent increase be allowed per given year per apartment unit, than by this bill.

Additionally, we find that the complaints of the landlords to this bill rest almost entirely around the burden of proof situation and the remodeling of the premises. Do they not realize that if they do not allow a sublessor to take over and a new tenant comes in, they must do this anyway? They still have to do a credit check on a new tenant. They still have to do the redecorating. They still have to process the application forms. Those complaints are totally fallacious and have no grounds.

Moving on to A 1048, this is a bill which is good in principle, but which will be most difficult to enforce. If a tenant applies for an apartment, and a misrepresentation is made, several questions come to mind. First, how will he know that he has been victimized? Second, how will he know that the practice is illegal? And, third, what good will these facts do him after he is living somewhere else as a result of it all? We make it clear that we do not oppose this bill simply because of the deterrent aspects, and the probability that many landlords will

comply, but we do request that more attention be given to how to make this bill work. Furthermore, we must also consider that a tenant who is in dire need of housing in a shortage, might well pay a bribe, even if he knew he had recourse, simply to get a place to live. Once he did get it, he would almost assuredly not take his landlord to court to cover this bribe, as he would quite likely find his continued residence there most unpleasant.

A 1060 is still another bill which is good in principle, but virtually unenforceable. It is a bill which requires an action, which if not taken, could conceivably render the bill useless simply because the tenant would never know that the action was required unless it was taken. Otherwise, he would be totally ignorant. While many bills which are now law suffer from the same problem (typically, the Reprisal Law), it is most incongruous for a law to be rendered inoperable in this way, as it purports to stop the very thing which will prohibit it from functioning. The bill requires an inspection and enforcement section, and will require local inspectors in order to be workable, and again this may well be costly to local government. We emphasize again, we do not oppose this bill simply because of the deterrent aspects, but strongly recommend that it be strengthened significantly.

In summation then, we favor a majority of these bills, although some of them require some degree of alteration. It is possible that our suggested amendments might appear minor or picayune, but we assert most emphatically that they are not. If I might apologize in advance for a bit of seeming inhumility, we have had numerous court battles with landlords, and we have discovered that even the smallest loophole or lack of specificity can disable even the most well-intended of laws, and unless one has been through this experience, one

may not as readily appreciate its significance.

In closing, I, and the Morris County Tenants' Association, most strenuously urge you and your colleagues in both Houses of the Legislature, to act quickly and affirmatively on these bills, and with the utmost attention to the recommendations we have presented as legitimate representatives of those persons who are concerned the most -- New Jersey's tenants. Thank you.

ASSEMBLYMAN BAER: I want to thank you, Mr. Edmunds, and particularly thank you for the detail which you have provided us to back up your suggestions and the specific language, which is very helpful for us to consider.

Are there any questions?

ASSEMBLYMAN HERMAN: You mentioned in reference to A 946, 75 per cent possibly being inequitable, but you didn't say to whom.

MR. EDMUNDS: The feeling is that in any situation of this sort where you set a percentage that is going to have to be in favor of something to happen, it is going to be inequitable to someone. If 75 per cent of the people have to approve it before it happens, (a) it could be inequitable to the landlord, as has been brought out in previous discussion this morning; (b) it could very well prove to be inequitable to the tenants who are in the majority, simply by virtue of the fact that, if we did this, we would be requiring something in excess of a simple majority. The question here boils down very simply to which right we are discussing here has priority. And it is our opinion that the basic right to housing and the need for a roof over one's head has to take precedence over any of the other considerations.

ASSEMBLYMAN HERMAN: You don't see any area of compromise, such as was earlier suggested in an example given to Mrs. Aranow by myself, for instance, if there

were the carryover of a year or two years guarantee, as an equitable compromise?

MR. EDMUNDS: This would sound to be an equitable compromise, yes. It would depend on how it would be able to be worked out.

ASSEMBLYMAN HERMAN: One or two other items -- First of all, I liked your idea in reference to adding on the insurer. I thought that that was well noted.

In reference to condominium ownership, there is one point perhaps I would like to take some difference with you and ask you where you derived your statistics. In these conversions, the ability really to afford housing, have you done any research on the relative prices of apartment condominiums and the financing that surrounds them? Isn't it usually in the area of 90 per cent financing in most of these apartment condominiums?

MR. EDMUNDS: It is a lesser amount of cash now than is required in purchasing a house. The problem that we foresee here very simply is that in a lot of these areas, especially where we represent tenants in Morris County -- we have tenants who are being stretched to the limit by their rents and are unable to save even enough for a small down payment in many cases. We have a large proportion of senior citizens. And if you have been following the papers in Morris County lately, there was a rather large flap recently about senior citizens finding their rents so high, they were forced to resort to eating dog food.

ASSEMBLYMAN HERMAN: That is the point I am taking. Assuming that there were appropriate mortgage protections and decent financing and the ability for the tenant to have a reasonable amount of time to exercise the right to convert, don't the facts and figures show, with decent financing, the end result on an ownership basis is usually cheaper than the monthly rental?

MR. EDMUNDS: We don't dispute that. We are simply concerned with the ability to make the initial payment. If that is alleviated, then the objection would be withdrawn.

ASSEMBLYMAN HERMAN: In essence, really, ownership is a better way of maintaining a roof over your head at a cheaper dollar.

MR. EDMUNDS: Certainly.

ASSEMBLYMAN HERMAN: I just wanted to clear the record on that particular point.

In reference to the certified mail, return receipt requested, in these possession actions, what is the position of the Tenants' Association, assuming that there was appropriate safeguards of allowing both parts- in other word, the possession aspect and the damage aspect - in one hearing? You are familiar now that if I, as a landlord, wanted to get you out and wanted to collect my rent, I would have to sue you twice?

MR. EDMUNDS: Yes.

ASSEMBLYMAN HERMAN: What is the position of the Tenants' Association of perhaps consolidating that type of procedure?

MR. EDMUNDS: Anything that could be done to shorten the amount of time and the amount of effort that a tenant has to put in to defend what should be his basic rights is something we are in favor of, and I feel that comes under that heading.

ASSEMBLYMAN HERMAN: Thank you very much.

ASSEMBLYMAN BAER: Any other questions? (No questions.)

On the subleasing act, has your group had any experience with situations where tenants that want to move, as a result of a transfer, or some other reason, find that they are locked into a lease and are unable to get out of the lease - the landlord insists that the full amount

be paid to get out of the lease at all and the tenants, no matter how many proposed subtenants or what their qualification are, are unable to sublet? The reason I ask you this is that you seem to question whether this bill would meet any kind of legitimate need. Has your group had any experience with this sort of problem?

MR. EDMUNDS: We have. In Morris County, and specifically in Parsippany, there are several complexes which require as a part of the lease contract when you initially sign a lease that if you move out during the term of this lease or any subsequent renewal of this lease, number one, you will forfeit your security; number two, that you will pay a penalty equivalent to generally about $20 a month for the duration of the term; three, you will find a suitable tenant at your own expense to replace you; and, four, this tenant is going to have to meet some very stringent qualifications of the landlord, more stringent than did the original tenant. This is part of the lease. A tenant walks in - and as I don't think I have to remind any of the members of this Committee, when a tenant is looking for housing in the current situation and walks in, he is not in a bargaining position. The landlord says, "If you don't want this apartment with these conditions attached to this lease, go someplace else. I have ten more to take your place." We see it regularly. I will cite another example.

ASSEMBLYMAN BAER: Maybe I misunderstood your testimony. I thought your testimony was that there was no need for the act.

MR. EDMUNDS: Our testimony is that we are opposed to allowing subleasing. The reason we are opposed to allowing subleasing, per se - my associate, Mr. Wisniewski, will be expanding a little more upon that, but I will go

into it in some detail - is that there are too many pitfalls where the original tenant could end up holding the bag. He has no recourse against his subtenant, if he moves out of the State, such as coming back into the State and initiating an action against his subtenant because he is still the lessee of record.

ASSEMBLYMAN BAER: Are you saying that you would like legislation that would ban subleasing or that you object to legislation that would mandate for the tenant the right to sublease and that you would rather have it remain as it is now where the right to sublease exists only to the extent to which a landlord has agreed to such a right?

MR. EDMUNDS: I think the latter, simply because if the landlord has already set up a system for subleasing and he allows it, I think we have to make the assumption there that the landlord-tenant relationship in a situation like this is a little less strained than it is in some of the others. In most of our area, subleasing is very strictly prohibited. If the landlord makes an arrangement with the tenant to allow a sublessee and they can work out mutually a way to get each other off the hook if something happens with the subtenant so that the tenant who moves out of the State or out of the area isn't caught hanging in the middle or if this could be mandated at the State level, we would have no objection. However, we feel that the entire concept poses too many dangers to the tenants and to the subtenants and to the landlords.

ASSEMBLYMAN BAER: All right. Then, as I understand it, you are not opposed to subletting, but you feel it should be done only to the extent permitted by the landlord, and you would oppose legislation that would remove to any degree the landlord's exclusive veto

over that.

MR. EDMUNDS: Unless the legislation, as I mentioned, provided enough safeguards to keep the tenant from being hung in a damage suit if he defaces the apartment, an injury suit, or a suit if the subtenant defaults. These are all areas where the original tenant is wide open.

ASSEMBLYMAN HERMAN: He is anyway.

ASSEMBLYMAN RUANE: Mr. Chairman, I would like to ask a question.

Suppose we were to introduce legislation which would provide a penalty to the lessee if he wanted to terminate his lease prior to any specific time, assuming that he had some one in mind to give it to.

MR. EDMUNDS: Assuming we had a normal housing situation, that might be a valid proposal. However, given the housing shortage that we have right now, there is no need for that because there should be no requirement for a penalty paid to a landlord unless the landlord suffers a loss. The current law states that if a landlord suffers a loss in damages, lack of income, moving expenses, etc., etc., he is entitled to seek those damages from the tenant. But why should we establish a situation where the landlord gets a free one, even if he suffers no damages. There are all too many landlords doing that right now by not returning security deposits to tenants who either don't know their rights or aren't sufficiently interested to fight them. I think the situation is bad enough and that might make it worse.

ASSEMBLYMAN BAER: Let me ask you a couple other questions if I may.

You objected to the words "serious violation" and "reasonable" in the Eviction Act, the No Cause-No Eviction Act, because of the potential in terms of their vagueness.

MR. EDMUNDS: That's correct.

ASSEMBLYMAN BAER: I think they were related to rules of the landlord.

MR. EDMUNDS: That's right. And the bill to us makes the assumption - at least this is the way we interpret it ---

ASSEMBLYMAN BAER: Let me finish with my question. Now I assume that you do not want to have a provision in which any violation of any rule would provide grounds for eviction.

MR. EDMUNDS: Correct.

ASSEMBLYMAN BAER: Because indeed some rules are very, very trivial.

MR. EDMUNDS: Many of them.

ASSEMBLYMAN BAER: What specific language do you propose to substitute for "reasonable" and "serious violation" that would make it possible to differentiate between trivial violations of rules and those in which in all justice there would be legitimate beef and basis for eviction?

MR. EDMUNDS: We felt that this would be rather difficult to sit down and enumerate without perhaps companion legislation. And, as you know from my conversation with you last week, we are in the process of preparing a model statewide uniform lease contract, which would be hopefully enacted by the Legislature and required for all apartments and all rental units in the State of New Jersey. By so doing, I think it would be reasonable to assume that we could separate what might be major violations from the minor ones. Again the standard lease contract has many provisions, many of which, as has been stated earlier, are unenforceable and unconscionable.

ASSEMBLYMAN BAER: Well, the subject matters that rules can deal with are very, very extensive and very numerous. It is very difficult to address every specific

thing that someone might conceive of in a rule. Buildings have all different sorts of circumstances. I would appreciate it if you would provide us that portion of your work that you have done in connection with this model lease or whatever that relates to defining this area; because if we are not going to go with "reasonable", which,although vague, the law has managed to use in many situations to cover situations very much like this where everything cannot be anticipated, and, if we are not going to use language such as "serious violation", then we indeed must have some specific alternatives. Could you provide us with that?

MR. EDMUNDS: This is in preparation, as I mentioned. We were at work on it last night and it is in draft form.

ASSEMBLYMAN BAER: Could you provide that for us? I am not talking about the whole act --

MR. EDMUNDS: No. I realize that.

ASSEMBLYMAN BAER: (Continuing) -- because a standard lease goes into many other things, but just that portion here. Could we have that in the next week?

MR. EDMUNDS: I think we can manage that.

ASSEMBLYMAN BAER: O.K. Thank you.

MR. EDMUNDS: I think, if I may, to clarify this, I might say one of our major concerns in objecting to that wording was simply the fact of who is going to decide. Because if the landlord brings in the tenant on some totally frivolous rule violation and tries to evict him, which happens, then we are tying up the court's time trying to deal with this. And, as has happened in several cases we have represented, the thing has been thrown right out of court and there has been no resolution of the matter at all. It's a stalemate. And you can't cite that as case law. You can't cite it for anything.

ASSEMBLYMAN BAER: But who else could decide it but the court? Isn't that the court's function? If someone goes to court and there are defined bases for eviction, regardless of this language or whatever, there is some language involved and somebody is going to get into an argument as to whether that language covers what happened. Isn't that the court's function?

MR. EDMUNDS: Basically, yes. Again, as I said, our major concern with that was the fact that, at least, in Morris County, the tenancy cases are piled up quite high. I don't know how many really spurious cases I see when we go in with one of ours are based on something totally trivial. We are not claiming to have all the answers. Only one of us on the committee is an attorney. These were our feelings which we felt we wanted to present to the committee so that the expertise that was available to them, in addition to whatever is being provided here at this hearing, might possibly come up with a solution to these problems which we, as laymen, although interested laymen, were perhaps unable to come up with. While we can give you a certain amount of our work, as far as this mandatory lease contract, I am not sure that,based on the work we have done with it, it is going to satisfy your request.

ASSEMBLYMAN BAER: All right. I don't want to take more time on this now. Your testimony has been very excellent. I don't think there are any further questions.

ASSEMBLYMAN RUANE: Just one observation, Mr. Chairman. I can't help but notice how totally unprepared our witnesses are today. Everyone has promised us further information. I would have liked to have seen that information and those solutions offered to us for our executive meetings and our committee meetings, not to

single you out.

MR. EDMUNDS: We have provided this. You have specific language.

ASSEMBLYMAN RUANE: You have provided some, but, for instance, the New Jersey Builders today --

MR. EDMUNDS: This is true.

ASSEMBLYMAN RUANE: -- and the tenants organization -- you come down to a public hearing, and that is precisely what we are holding here today. We are not here for an exercise in futility. I would just like to say, and it is only my opinion -- I see that now you are promising us further information. So actually, the sum and substance of today's hearing are less than adequate.

MR. EDMUNDS: As I say, we have provided as much as we felt it at all possible to provide. We don't have all the answers and I am not sure we can provide what we are being asked to provide.

ASSEMBLYMAN RUANE: I agree, but if you are the complainant, you should then at least provide the remedy or some remedy. Whether it is accepted by this committee or not, the simple fact is now we have to meet again and practically go over all this testimony again in order to discern which parts we are going to accept or reject, etc., etc.

ASSEMBLYMAN HERMAN: You have a lot more optimism than I if you think we are going to do it in one hearing.

ASSEMBLYMAN RUANE: But this is the whole point, the benign neglect that I mentioned, the stalling for time on behalf of practically everyone. It is only my opinion.

MR. EDMUNDS: As I mentioned before, none of these bills that we are hearing today were heard at the last hearing and a part of that statement is also included.

ASSEMBLYMAN RUANE: Now we are talking about a

full year.

ASSEMBLYMAN BAER: I would like to say regarding this witness that this, to the best of my knowledge, is the first contact that we have had with him. I have spoken with him on the phone earlier in the week, but there is no situation such as has existed with some other groups, such as, for instance, the Builders Association, where he was appearing before the committee and communicating with the committee quite some time ago, indicating that just a little bit more time was required to provide us with material. It does put us in a frustrating situation, but still we are very grateful for the information that you do provide, because it is helpful.

MR. EDMUNDS: In closing, as I mentioned before, the document probably was received in your office this morning in the mail.

ASSEMBLYMAN BAER: I see.

MR. EDMUNDS: It should have been received yesterday, but obviously it wasn't. If it is going to show up within a day or two, I will check back with you.

ASSEMBLYMAN BAER: Was that sent to Trenton?

MR. EDMUNDS: No, I sent it to your local office.

ASSEMBLYMAN BAER: All right. Thank you.

Rather than following immediately with Mr. Wisniewski from your group - Mr. Callan must leave early, I understand, so I would call Mr. Callan from the New Jersey Civil Liberties Union.

MEMBER OF AUDIENCE: Mr. Chairman, I don't believe he is present. I am on the list representing Newark Legal Services. When we were called, we were going to make a statement on their behalf.

ASSEMBLYMAN BAER: All right. Since his time schedule isn't a problem, we will come back to Mr. Wisniewski in a moment.

Now I would like to hear from Mr. Arthur Levine,

of the Fort Lee Tenants Association.

A R T H U R O. L E V I N E: My name is Arthur Levine. I am the President of the Fort Lee Tenants Association, also Vice President of the New Jersey Tenants Organization.

Obviously, in my capacity as an officer and director of the NJTO, I have reviewed and concur with all the previous testimony by Mrs. Aranow. However, I would like to testify on Assembly Bill 946 in regard to condominiums. I believe that I can shed some new light in this one particular area.

We do not believe that conversion to condominium on the over-all picture can be harmful to the tenants in the State of New Jersey. We, in fact, feel that in many instances, it can be very, very helpful in certain circumstances.

We will start with one of the first things in the bill, the 51 per cent. We take an entirely different approach to the 75 per cent that was just advanced here. And I think the 51 per cent is even too much. Wn our opinion, we feel,if the other conditions which I will elaborate on were met, a figure not to discourage condominium conversion of somewhere in the area of 35 to 40 per cent would be very acceptable to us. We have practical application of conversions to condominiums - we have two - one that was just converted over to a condominium and one in the process.

One of the big problems of the people that are in the process of attempting to change over to a condominium in Fort Lee presently -- and in that particular building, to cite specifics, there are 160 units; 125 tenants have banded together to fight the conversion of this particular building over to a condominium ownership. When I say that they have banded together, in addition to

joining a local tenants organization, such as our own, they have all, 125 of them, contributed a considerable amount of money for a legal fund. In other words, they are putting up their money where their mouth is. They just are fighting tooth and nail to stop this thing.

However, this is a building that is up three years. People have spent literally thousands of dollars redecorating and refurbishing. I am sorry if it is offensive to some people that we are talking in a luxury area right now, but people that live in the luxury buildings have the same rights as any other tenants in the State, in any other area. These people have spent thousands of dollars and after three years' time, they are told "leave." We feel that there should be some mechanics in a bill such as this that requires more study, so that the people may be indemnified for the amount of money that they have put into it.

We also feel that for the balance of people who do not want to go along with the purchasing of a condominium or cooperative apartment, there should be some manner or form of relocation money. And, as Assemblyman Herman has suggested several times, there should be a reasonable length of time for the parties to move out; somewheres between one year and two years would be very acceptable.

If all of these things were met in the case of the building in Fort Lee, namely the Regency, they would have not received the same amount of resistance as they have, where the whole 125 do not want to have any part of it. Yet we do not want to chock off condominiums. We do not want to choke this off. We feel it to be very practical around the State. Thank you.

ASSEMBLYMAN BAER: Is your group working on any specific provisions to supplement this bill?

MR. LEVINE: Yes, obviously it is working in conjunction with the New Jersey Tenants' Organization

and their bill will cover all of the various features that I have outlined here.

ASSEMBLYMAN BAER: I see. Do you have some idea when that will be ready?

MR. LEVINE: Between four and six weeks.

ASSEMBLYMAN BAER: Any questions?

ASSEMBLYMAN HERMAN: I have one or two. In reference to the investment return provision, obviously tenants who move in recognize the fact that one day they are going to move out and they are not going to get their investment back if they remain as tenants. Is that correct?

MR. LEVINE: Absolutely correct.

ASSEMBLYMAN HERMAN: Really what we are actually talking about when we talk about investment return is some minimum lease guarantee that if people live there, they can live there for a minimum amount of years, because eventually they would move out anyway. I assume you are not suggesting if someone moves out voluntarily or there is an inability to come to a lease agreement between a tenant and an owner that the tenant ought to be reimbursed.

MR. LEVINE: I agree with that, sir.

ASSEMBLYMAN HERMAN: So really there is some compromise area there.

MR. LEVINE: We have found that the average length of time in luxury apartments --

ASSEMBLYMAN HERMAN: I am talking about luxury apartments now.

MR. LEVINE: (Continuing) -- that they expect to live in an apartment before refurbishing is about six to seven years - that is your carpeting and your drapes.

ASSEMBLYMAN HERMAN: Usually the leases are two- or three-year leases, aren't they?

MR. LEVINE: No, not under present circumstances. There are one year leases right now. Anybody that is moving out, which is a different area and a different problem at the moment -- but tenants that are moving into

the Fort Lee area are being offered - for instance, Horizon House - three-year leases, while for renewal of tenants in Horizon House, they are only being offered one-year leases. This is to circumvent the Rent Levelling Law and to get additional increases.

ASSEMBLYMAN HERMAN: It is a different abuse.

MR. LEVINE: A different abuse.

ASSEMBLYMAN HERMAN: O.K. Thank you very much.

ASSEMBLYMAN BAER: Any other questions? (No questions.) Thank you very much, Mr. Levine.

Mr. Wisniewski?

E D W A R D W I S N I E W S K I: My name is Edward Wisniewski. I currently hold the position of President of the Morris County Tenants' Association.

Let me preface my specific remarks with some general comments.

The Morris County Tenants' Association is a nonprofit, volunteer organization. Our purpose is to protect the rights of all tenants in landlord-tenant matters in Morris County and throughout the State of New Jersey.

Mr. Edmunds and I have come here today in the hope that some positive action will be taken on behalf of the tenants who comprise a large percentage of the population in the State.

On the whole, we feel that New Jersey law in regard to tenants' rights is antiquated and several pieces of new legislation are required. It is your job collectively and independently, as elected officials, to provide the necessary legislation to protect the rights of tenants as citizens of this State.

The MCTA feels that the committee and the Assembly should be commended for taking prompt action on these bills up for discussion in the area of tenants' rights.

Mr. Edmunds has already informed you that our review document on the pending bills has been forwarded to Mr. Baer

and these documents - I don't know if anybody has seen them - do contain very specific amendments and comments not of a general nature, such as the language. The only area is the one previously mentioned in A 943.

I would like to pass along some additional comments and the reasoning behind our position in certain suggested amendments.

I do not intend to reiterate any of the points Mr. Edmunds has previously made clear. Hence, I will only mention certain bills where I feel I need to somewhat clarify our position.

Firstly, A 946, which deals with conversion of rental apartments into condominiums and cooperatives. One objection is that if the dwelling conversion is turned down by the tenants, there is a great fear that tenants who are not in favor of the conversion might be discriminated against and harassed by the landlords in some very subtle ways. Because of this fear, the tenants that are hard-pressed financially to buy into a cooperative or a condominium may give their consent unwisely. We would recommend the establishment of a housing authority that would make funds available at lower interest rates for tenants that are forced to accept condominium or co-ops on State-approved complexes. This housing authority could also oversee the task of obtaining the necessary written consent of the tenants after a principl has applied to the State. This would allow for the tenant's identity to be kept anonymous.

The underlying fact remains that there is a housing shortage and this bill should not be made to place undue hardships on persons who would be forced to vacate and find another abode. We feel that these recommendations would make for a very sound and well-conceived bill.

In regard to Bill A 954, we feel that subleasing

problems might far exceed the benefits. If the landlord and tenant both agree to all the terms and conditions set forth in A 954, then there would be no reason for the landlord not to relieve the tenant of the contract and allow the potential sublettor to sign a new contract. If the potential sublettor only wishes to stay for a few months, he could then recruit a new sublettor to take his place and the same procedures could be followed. The landlord should thereby be able to save money on advertising to recruit new tenants. Unfortunately, landlords do not like to relieve tenants of contracts. If the landlord has a good potential tenant with a vacant apartment, not under contract, they would rather get the person to sign a new contract on the unrented apartment.

Another sticky problem is the very real danger that the sublettor might be injured or damage the apartment in some way and the tenant under contract has no protection from a damage suit. If the sublettor defaults, the original tenant is again responsible for the rent, even though he has sublet.

Finally, the landlords may be the ones that are left holding the bag if both the parties default.

In regard to Bills A 1048 and A 1060, in principle these are well-intended and well thought-out bills, but unless provisions are made to establish a way of enforcing these bills from a practical standpoint, they will be ineffective.

Lastly, on Bill A 58 and A 943, which both deal with legal grounds for eviction, as previously stated, it is our opinion that A 943 is in general the stronger and more comprehensive of the two. It should, however, be spelled out that it pertains to nonrenewals of leases as well as evictions. The circumstances involved in a nonrenewal of a lease should be the same as the conditions

leading to the eviction of a tenant. Although it is implied, we feel it should be included.

Section 2 (e) of this bill, dealing in part with eviction on the basis of serious violation of landlord's rules and regulations governing said premises, as long as rules and regulations are reasonable and the tenant accepts them in writing - this section is very vaguely worded. Let us consider the first part that states "serious violation of the landlord's rules and regulations." I am sure that everyone would agree that nonpayment of rent is a very serious violation. However, would it be a serious violation if the tenant did not pay a certain portion of his or her rent because they had to do without heat or hot water for a good portion of the winter? Yet we do not find any type of provision that states if the landlord violates his portion of the lease in not providing the essential services, the tenant may be able to terminate the lease and move elsewhere.

Next - who is to determine which rules and regulations are reasonable? Would you consider the following clauses found in this lease as being reasonable? I have some specific clauses I have pulled out of a current lease.

ASSEMBLYMAN BAER: We have at this point, according to my list, seven witnesses left. I would appreciate it if you could be brief. Read a little bit faster if you can and, if there are examples like that that you don't feel you need to read completely, we will take them and turn them over for the record.

MR. WISNIEWSKI: I will just mention a few here. I am quoting from a lease, "... that in case said landlord deems objectionable or improper any conduct on the part of said tenant, said landlord shall have full license and authority to have full possession of said premises either with or without legal process. The tenant consents

that the said landlord shall not be liable to prosecution or damages on any grounds for resuming possession of said premise." This is all in one statement.

ASSEMBLYMAN HERMAN: Was this written before of after the Emancipation Proclamation?

MR. WISNIEWSKI: I think the implication here is very clear.

The landlord is hereby stating he is entitled to take charge of the apartment if he deems a person in his own personal opinion to have conducted himself improperly or been objectionable without due process of law.

ASSEMBLYMAN BAER: Well, of course, you realize that is illegal, in addition to which, that that bill that you are referring to elsewhere specifically has provisions for that that would make that punishable to include that in a lease any further. So we are not talking about rules at this point. You are reading lease clauses as opposed to rules.

MR. WISNIEWSKI: These are clauses and rules in here as well for eviction and these are up to the court to determine whether they are reasonable or not. It is our position that why should they be? Why shouldn't it be spelled out? It is a very involved process for a tenant and it takes a lot of his time and money to have to go fight for his rights in court.

ASSEMBLYMAN BAER: Let me give you an example. Let me break in here if I may. I have seen rules for some apartments which specify the size of the appliance that can be used because of the wiring situation, which specify the times in which garbage can be brought out, that goes into a myriad of housekeeping details. Some of them are pretty picky. Some of them have some very real basis. For legislation to attempt to encompass every one of these items

and say what would be acceptable and what wouldn't would require an encyclopedia and there has to be some way of finally, no matter how detailed you make it, measuring what a rule has against the reasonableness of the circumstances in that situation. I don't think you are going to find any way it is going to cover everything.

I think that there may be a misconception in your mind between what is intended here in terms of rules for things of this nature, the violation of which some may contend, most of which are trivial, but some which could have very serious consequences in terms of endangering life or something, and things which are normally considered lease clauses. It is true that some rules could be incorporated in leases and in some cases they are a separate document. But we need to have some practical way of dealing with these things so that a landlord on the one hand does not have his hands completely tied in dealing with any of these things and, on the other hand, that the Legislature doesn't have to embark on a two-year investigation to uncover every one of the things and provisions that somebody might want to put in a lease that might have some reasonable basis and to prejudge that in advance. That is what courts are for.

MR. WISNIEWSKI: This is true.

ASSEMBLYMAN BAER: If I can just continue a little further - if you have some suggestions - and I am speaking somewhat as a sponsor now - in terms of standards for rules, reasonable standards for rules, they might be of some use. But I think that we won't be able to cover everything in legislation. In the end a court is going to have to judge a dispute and in the end there are going to be disputes, no matter what we do. What we hope to do is provide in whatever we put together here standards and legislation that are as clear as possible to both parties, and as fair as possible to both parties. But in the end there

are still going to be situations that have to be determined by a judge because the parties are either in such strong contention or because everything cannot be foreseen.

MR. WISNIEWSKI: This is true. However, all of these statements that I have here are found in a typical lease. There are so many of them that are just blatantly unreasonable. I would consider unreasonable.

ASSEMBLYMAN BAER: Right. And not only would a court have no problem in determining the unreasonableness of it, but the examples you have been giving me are not only unreasonable, but they are illegal and they are further in this very bill that has been drafted to deal with this in another section made specifically punishable to even include. So I think you are beating a dead horse.

MR. WISNIEWSKI: I really don't think so. I will just mention one more thing. We say that some rules we feel are ridiculous. I will just mention this as a case in point - mandatory fees. There is an apartment complex in Parsippany with approximately 250 apartments. Since a rent levelling ordinance was established, the landlord decided to charge every apartment in the complex a mandatory pool fee for a pool that he had previously offered, a few years before, as a free service. Surely you would think that the judicial system must have ruled this was an unreasonable rule and not grounds for eviction when a person would not pay such fees, as they had no intention of using the pool. What happened? The judge would not make a ruling and threw the case out of court with the result the tenant had to pay the pool fees or move out. This is something that we are trying to eliminate.

There are two possible areas here. These things have come about, these ridiculous lease forms, we feel basically because of the housing shortage. Things were not like this a few years ago. These ridiculous leases are getting people out because there are ten people right

behind you. And if the landlord doesn't like someone just for a whim, he has all the coverage he needs in his contract.

The other possible solution - and Mr. Edmunds mentioned it before - is the urgent need for a statewide uniform lease. The Legislative Review Committee of the MCTA has just finalized a draft of a model uniform lease.

ASSEMBLYMAN BAER: Who is that again?

MR. WISNIEWSKI: Our Legislative Review Committee. This will be submitted probably in a period of about two weeks.

ASSEMBLYMAN BAER: Submitted to this committee?

MR. WISNIEWSKI: Yes, submitted to you directly.

We would strongly recommend that this committee consider the adoption and passage of this bill. The need is obvious. Tenants cannot afford the time, effort and money spent on an individual basis to fight the illegal and unconstitutional clauses in contracts. It would also simplify the language so that tenants need not bring an attorney to interpret the clauses and rules and regulations before they sign a contract.

If you have any questions or comments on this proposal, Mr. Edmunds or I would be more than willing to discuss it with you at any time.

ASSEMBLYMAN BAER: Thank you very much. I might mention personally I think the idea of a standard lease is a very valuable one. I have been myself working on such legislation, drafting it, and I would very much appreciate whatever material you have. I don't think we ought to take the time of this hearing to go into it.

Are there any questions?

ASSEMBLYMAN HERMAN: One brief question and one brief comment. First, the question: I would assume it is your position when a tenant sublets, he should be let off the hook and there should be a new "ball game" contract between the original lessor and the subtenant, right?

MR. WISNIEWSKI: Yes.

ASSEMBLYMAN HERMAN: What is your position on old owner - new owner, an existing lease contract between a lessor and lessee, the lessor sells the building - should the old owner or old lessor also be let off the hook for whatever contractual obligations he has with the existing tenants?

MR. WISNIEWSKI: I don't feel that he should.

ASSEMBLYMAN HERMAN: Why on one hand should one side -- If we are going to have a contract, why shouldn't the contract be a contract?

MR. WISNIEWSKI: Let me back up here a little bit. I think this problem about a contract and subletting could be eliminated. If the landlord agrees to all of the provisions in that subletting bill that you have, then why wouldn't he -- you know -- sign the contract and let the guy off?

ASSEMBLYMAN HERMAN: How about the new owner? We are talking about new owner - old owner. I don't, of course, argue that philosophical point with you, but I wanted to raise it; I think, in fairness, it is a two-sided issue.

The other comment I would like to make or request -- I would like to see - and I am in complete agreement with Chairman Baer that there should be uniform lease provisions - and in order to facilitate that, since we all are in an advocacy position in presenting this matter, at the time that you present this to this Legislative Committee or the Legislature that you also take some steps - maybe it is an unusual request - but that you get together with the home builders and the New Jersey Realtors to see whether you can work up perhaps a lease which both sides agree to or 98 per cent agree to, which I think is not necessarily an impossibility here. Certainly it would

have easier acceptability. Because there is no doubt that once it is submitted to us, it is certainly public information and there is going to be comment from the other side. All I am saying is: Why not try judiciously, using that term in its social sense, to meet with those people and see whether you may not be able to come up with an acceptable document? It is only a suggestion I make.

ASSEMBLYMAN BAER: I think it is a valuable suggestion. I would like to make a comment on it very briefly because of the time, and, that is, I think if you can do that, that would be fine. But I do recognize that you are representing tenants and whether you can work out a position representing both tenants and landlords, whether you want to assume that as your responsibility or not, I don't know. I think in a sense it is our function to try to make contact and hear the views of all parties and try to resolve them. If you wish to follow on the suggestion, I think that would make our job easier, but certainly there is nothing wrong with your advocating a tenant position since you represent tenants, and advocating that only.

ASSEMBLYMAN HERMAN: The point I am making perhaps is taken just a bit out of context. There is no doubt in my mind that if that document is submitted, there is not going to be 100 per cent agreement or perhaps never will be 100 per cent agreement on a form document. But I do think that there might be areas of common agreement. Certainly if 85 per cent of what you can do can be common agreement, certainly the last function is up to the Legislature to decide. At least there would be some foreknowledge of what is commonly reasonable.

MR. WISNIEWSKI: I would think that we would have a pretty good feel for what they would be asking for in the way of a lease. Whether we met with them or not, we would more or less know what they wanted.

ASSEMBLYMAN HERMAN: It is only a suggestion.

MR. WISNIEWSKI: That would be the only drawback. I would have no objection.

ASSEMBLYMAN BAER: Any further questions? (No questions.)

(Discussion off the Record.)

ASSEMBLYMAN BAER: We will hear now from Pearl Moskowitz, Councilwoman from Fort Lee.

P E A R L M O S K O W I T Z: I am not going to direct my comments to the bills in front of you today. Instead, I would like to draw your attention to an area of tenancy that I think also needs some protection, namely, the ability to demolish current needed housing to build new developments of a higher use under any given zoning ordinance. Specifically in Fort Lee there are now two garden complexes that are in jeopardy of being demolished, one to put up a new high-rise luxury residential building and the other for a possible commercial complex. It is highly unlikely that in the near future these types of garden apartments will be built in Fort Lee. Also, with the current housing crisis, it will undoubtedly be a hardship to these tenants to find comparable housing in Bergen County.

I feel that some protection must be provided here, either that the developer who comes in and assembles property, realizing or fully knowledgeable of the fact that there is current existing housing of this nature, be required - the onus be on the developer to relocate these tenants or, if this is impossible because of the housing crisis, that these buildings not be permitted to be demolished until the crisis is alleviated.

What I would request of you gentlemen and ladies here is that when you are reviewing these others bills to please give some consideration to this problem. That is all I have to say.

ASSEMBLYMAN BAER: I would like to ask you, since you serve in a legislative capacity also on a local level, if you would be willing to develop any specific proposals for the committee along this line.

MRS. MOSKOWITZ: Yes, I would be more than willing to. I am sure there are other solutions. I have just named two briefly which come to mind. But I would be more than happy to sit down and try to work these out, and I would like some other ideas, as well, as to how we can help these people.

ASSEMBLYMAN BAER: Thank you. Any questions? (No questions.)

Mr. Marcus? (Not present.)

I would like to ask, although I am sure everyone would like to leave as soon as they can, if there is someone who has an urgent need to leave. Then we will hear from Mr. Madden and Mr. Gardner. Is this a joint presentation?

T I M O T H Y K. M A D D E N: My name is Timothy K. Madden. I am the Director of Hudson County Legal Services and with me is Theodore Gardner, an attorney on the staff of that agency.

I will proceed immediately with my comments on the bills that are being considered by this committee. Three of the bills, A 232, A 946 and A 954 will not be commented upon by me, either because I consider the bills to be technical or minor amendments or because they do not concern the community which my agency serves, namely, generally speaking, the poverty community, although with unemployment on the increase, more and more middle-income people are now qualifying for our services.

Two other bills, A 1048 and A 1060, will also receive no comment, except to say that I am not opposed to the bills and to point out, in my opinion, the main objection or problem that I have with them is that of enforcement. That has been brought up a number of times this morning

and again this afternoon. We need dwell no further on that.

Mr. Gardner will direct his remarks at A 940 and 947, and that leaves five remaining bills for me to comment on.

The first is A 953, the Tenant Safety Act. Briefly, this bill's effectiveness in my opinion is dubious unless, instead of being enabling legislation, it is made mandatory and statewide. This was once also brought up previously and unless you have questions later, I don't think we have to dwell on it anymore.

The next bill, A 284 - my comment on this bill is not on the amendments being considered, but is directed at that portion of the existing law which is found on line 40 of page 2 of the bill.

ASSEMBLYMAN BAER: Which bill is this now?

MR. MADDEN: A 284.

ASSEMBLYMAN BAER: What line again, please?

MR. MADDEN: Line 40, page 2. That portion of that line which says that the tenant may give written notice is the portion that I am directing my remarks to, and that portion which requires the tenant to give written notice to his landlord should be deleted, in my opinion, because the tenants do not know of the existence of that remedy unless they have an attorney. Furthermore, I suggest an amendment to that existing law which will allow the tenant to use as a defense in the landlord-tenant court the landlord's failure to comply with this section.

A 951, "The Fair Tenant Process Service Act" - In my opinion this bill will not, as the accompanying statement suggests, end the practice of "sewer service." Technically speaking, "sewer service" is not a problem in the State of New Jersey. The real problem, as was discussed earlier by Mrs. Martini, is the tacking provisions of

New Jersey statute 2A:18-54. Once again, for the sake of brevity, there is no need to go into the problems. But I can assure you that there is a serious problem in your large,urban, high-density population areas of tenants not receiving adequate, or any kind of notice, of process.

In my opinion, A 951 will allow that process to continue because it does not amend the tacking provision of 2A:18-54, even though this bill will provide two more opportunities for the tenant to receive actual notice of the complaint against him by a landlord.

If provision cannot be made to allow an individual who may be about to lose his home to receive personal service - and in my opinion only personal service is good enough - no tacking, as was discussed earlier - then as far as A 951 is concerned, I suggest two things: First, make it clear that this new mailing requirement is in addition to the current requirements of 2A:18-54, the service statute; and, two, specify in the bill that the return receipt should be returned to the court and not the landlord.

I will now go to A 58, the amendment to the jurisdictional statute, 2A:18-53. While the idea of specificity, which this amendment embodies, is laudable, I believe that the amendment on the one hand does not go far enough, and on the other hand goes too far. For instance, I believe the third part of the proposed addition, starting on line 17, page 1, is a catch-all provision which is too broad and too vague. That is the provision which allows the notice, if the landlord can satisfy the court of the reasonableness of his demand. You must remember that the reasonableness of a landlord's demand will be determined by the court. Consequently, this amendment does not assist all those tenants who vacate their apartments as a result of initial receipt of a landlord's notice before court process is ever received by the tenants. They are thereby barring the possibility of a judicial determination that the

demand is not reasonable or that there will be undue hardship placed upon the tenant. I respectfully suggest the deletion of that overbroad provision and the insertion of specific provisions, such as some of those contained in A 943.

Finally, A 943, "No Cause-No Eviction Act." I must assume for the sake of our discussion that this bill is intended to be applicable to all tenants in New Jersey and the accompanying statement to the bill on page 2 fortifies my assumption. That being the case, I have the unfortunate duty of informing this body that the bill, as written, would apply to approximately 1 per cent or less of the tenants of the State of New Jersey. The bill in Section 2, line 1, refers to tenants "at will or at sufferance," and, generally speaking, tenants at will are those who hold possession of the premises by permission of the landlord, but without a fixed term. And a tenant at sufferance is one who comes into the possession of land lawfully, but holds over wrongfully. Those two classes of tenants, by definition, exclude almost every tenant in this State and all those tenants that have been here talking this morning.

I, therefore, suggest the inclusion after the word "sufferance" of the following, "or for a part of a year or for one or more years". Furthermore, the specification of the courts mentioned in that same section excludes the implementation of this bill in the one court which hears all landlord-tenant matters, the County District Court. I, therefore, suggest either the inclusion of the words "County District Court" or the elimination of any mention of specific courts and the insertion of words, such as, "court of competent jurisdiction". Also the words "multiple dwelling" in that same section, in my opinion should be defined to avoid confusion and litigation. You do have in other bills that the committee is considering definitions.

In one you are talking about units with three families. In the Hotel and Multiple Dwelling Law, they speak of units with five families. So I think if you were to define this, it would avoid that confusion.

With regard to the causes specified under Section 2, I have the following comments: 2 (d), which is line 13, page 1- this subsection is generally not applicable to the very great majority of tenants in urban areas. Leases other than oral month-to-month arrangements are practically nonexistent. So the beneficial effects of this section would not be felt in areas such as Hudson County, Newark and most of Camden.

ASSEMBLYMAN BAER: You are proposing to eliminate that?

MR. MADDEN: No, I just wanted to bring it to your attention so as to be sure that you understood that that particular subsection, if it had any beneficial effects, would be ---

ASSEMBLYMAN BAER: O.K. But you don't mind if it benefits somebody else somewhere else.

MR. MADDEN: No, sir, as long as it doesn't hurt others, which it doesn't seem to.

In Subsection (g), on line 30, page 2, although there was an attempt to guarantee a tenant the first right of refusal after the apartment is renovated by means of the consent order, that guarantee in the great majority of cases in our practice will in reality be meaningless. For, in practice, once the tenant signs that consent order, he is lost. He still must find other housing. He must pay moving expenses. And then he must decide, if he is notified by his landlord that the renovations are complete, whether to uproot his family again and pay the moving expenses again.

Consequently and finally, I suggest that Subsection (g)

be eliminated and, if not, then it be expanded to require the landlord to submit in some form to the court a renovation plan. This requirement would allow the court to inspect the plan and it would show the court that the landlord is, in fact, intending to renovate and whether the extent of the renovations call for the tenant to be dispossessed from his home, as opposed to working around him.

That is all I have. I thank the committee for allowing me to speak and, unless you have questions --

ASSEMBLYMAN BAER: I have a few. First, I would like to comment on some of your suggestions.

We appreciate your suggestions and many of them seem very worthwhile. I am impressed by quite a number of them.

I would like to call attention on 943 in Section 2, to the word "lessee". You seemed under the impression that 99 per cent of persons who were renting as lessees were excluded.

MR. MADDEN: You are speaking of Section 2, line 1, now, "No lessee or tenant. . ."?

ASSEMBLYMAN BAER: Section 2, line 1, yes.

ASSEMBLYMAN HERMAN: Just the two words in there.

MR. MADDEN: Yes, sir. The way I read that is that no lessee at will or sufferance or tenant at will or at sufferance --

ASSEMBLYMAN HERMAN: No. No lessee, comma, or tenant at will, comma.

ASSEMBLYMAN BAER: If you would feel more comfortable with a comma, I would have no problems with that as the sponsor. I think its meaning is clear, but since the comma couldn't possibly hurt --

MR. MADDEN: With all due respects, if I had a problem with it after reading it more than once, I am sure some landlord's attorney is going to pick that up too.

So if you clarify it at this point, you are better off.

ASSEMBLYMAN BAER: Also in reference to the tenant process service, you thought that it should be clear that this was in addition, that the mail was in addition to the existing process. I call your attention to Section 2, line 3, going on to the next line, "in addition to process for personal service." In other words, this is quite clear that this is in addition to the existing from of service and not a substitute for it.

Now the thrust of your argument regarding this, the main thrust, is that even though this bill would provide regular mail and certified mail as additional forms of service to the existing, which is personal service or, if that is impossible, tacking, which sometimes fails, as probably every reasonable person would recognize, that that still isn't adequate to have those four provisions in there, and that personal service must be insisted on in every situation. I would like to ask since service for an eviction situation as opposed to most sorts of situations where service might be required in court proceedings, not all, but most, if delayed, can cause additional cost to one of the parties, the landlord, and since a tenant might be motivated to dodge - a tenant might be able to dodge for a long period of time if this provision for personal service was an absolute must and none of the other alternatives, including three which we have provided here, would be adequate -- and I wondered whether you felt that that was really equitable.

MR. MADDEN: I think, Mr. Chairman, we are probably going to get into a philosophical difference.

ASSEMBLYMAN BAER: I don't want to cause a very lengthy discussion here.

MR. MADDEN: I will be brief. You have to balance, in my opinion, the right of the landlord to re-entry into

his premises if there has been a violation of a leasehold or if there has been an allegation of a violation, and the right of a tenant to his home. We are talking about one of the most traumatic experiences, in my opinion, that an individual can go through. If I am sued because of an accident where I was at fault, my insurance company takes over. If I am burglarized, I get reimbursed by my insurance company. But you are talking about my home now when my landlord is coming after me. Now I may be at fault. I may be at fault. But I should be given the opportunity to know that he is coming after me. And if I am not given that opportunity until the constable knocks on my door and says, "Here is a writ of removal - you have to get out in three days," I don't know what could be more traumatic than that. And we see this every day, day in and day out. Twenty-seven per cent of our clientele comes to us because they have housing problems, roughly 600 a year in round numbers. We have a great deal of experience in this area. I don't pretend to be an expert, but it is a very, very serious problem.

ASSEMBLYMAN BAER: I am concerned about the seriousness of the problem too. This is why I sponsored the legislation and it has been one that I have witnessed very closely in many situations over many years, and it has disturbed me.

But you recognize that we labor under the burden of trying nonetheless to be equitable to all parties while we try to correct imbalances or inadequacies in the law.

MR. MADDEN: That is a luxury that I don't have, myself, to impose upon myself. I am sorry. That is not a luxury. I have the luxury - you don't.

ASSEMBLYMAN BAER: If we have regular mail and certified mail and posting and personal service attempted, possibly if there is "sewer service," as there are in some situations,

the personal service wouldn't really be attempted. Possibly the posting then wouldn't be attempted to. But you would still have the backup of the certified mail being delivered by a postman who is going for a signature and trying to deliver it personally, and, if he fails, still leaving a letter in the mail box.

MR. MADDEN: Let me just say that we support the double mailing aspect of it. I, myself, and I am sure a lot of other Legal Services attorneys would like to see the requirement or the allowing of tacking deleted from the other section, but this legislation does not speak to that. It was a suggestion on my part. But I most heartily support the double mailing aspect with the caveat that when you are dealing with a poverty community, the certified mail is not going to reach them because they don't pick it up, but they will get the ordinary mail, generally speaking.

ASSEMBLYMAN BAER: But I assume the tacking, itself, you find is nothing that is doing any harm. It is another alternative way and, if it is up there, it might help in some situations. What you are basically objecting to, if I understand it, is the process server having any out in being able to tack instead of providing personal service.

MR. MADDEN: Yes, sir, and that is what they do generally.

ASSEMBLYMAN HERMAN: One very direct question: We know that the process server must take an affidavit on the summons in reference to service. If we were to eliminate posting entirely as a potential procedure for service, and had certified mail, return receipt requested, or personal service, do you feel that this problem might be eliminated or abated?

MR. MADDEN: I think, first of all, you need double mailing when dealing with the poverty community; number two, I don't think the problem would be eliminated because in many instances - and I really have nothing to support this - you are going to have the mailings and not the

personal service.

ASSEMBLYMAN HERMAN: I am talking about, assuming we said to the process server, "O.K., we are not going to give you the out. You can't come back and say you couldn't serve them, but you posted it instead. You attempted to serve them, but posted." Let's eliminate that possibility under that example. Let's say he has to go out there and say either, "I personally served them or I didn't serve them," and then have this alternate situation of either personal service or certified mail, plus the double mailing. Do you think that that would improve it? I am trying to get at the marrow here as to this posting situation.

MR. MADDEN: I really don't think it would improve it that much.

ASSEMBLYMAN BAER: Again in that situation, if I might comment, you might still have the certified mail not accomplished. It might not be received. So the elimination of the posting and the elimination of the personal service then leaves you hanging on the accomplishment of the certified.

MR. MADDEN: I understood your hypothetical to mean personal service or certified service, not "and"? Did you mean both?

ASSEMBLYMAN HERMAN: I would not object to having both. But assuming that we could accomplish neither, I think it is an agreed fact that posting doesn't mean a tinker's darn. I was just concerned,because we had this discussion at the lunch-time break, as to whether or not, based on your appearances in court, your office's appearance in court, handling the number of cases that you do, whether or not we would keep the service processer straighter - for want of a more direct term - more honest, if we eliminated his ability to say, "I couldn't serve them, but I tacked it up instead" or "I posted it instead." Do you think,

in other words, to bring my parable down to its lowest common denominator -- do you think if we eliminated posting and went out to personally serve these people, that he would be more inclined to knock on the door and actually try to serve them rather than posting?

MR. MADDEN: I think he probably would in the beginning, but you do need the supplemental aspects of the double mailing at the same time.

ASSEMBLYMAN HERMAN: O.K.

ASSEMBLYMAN BAER: But if, in fact, the double mailing was an alternative to the personal service to replace posting, then isn't there a likelihood for those who are abusing this and posting rather than serving to rely totally on the mailing and never go there in the first place?

MR. MADDEN: Yes, there would.

ASSEMBLYMAN HERMAN: I agree with the Chairman there. So really, to sum this up, if you had a cumulative requirement of personal service plus certified mail and regular mail and eliminate posting, then the percentage of actual service and notice would probably increase?

MR. MADDEN: Not drastically because, as the Chairman stated, they would be relying on the mailing.

ASSEMBLYMAN HERMAN: Well, it depends on who would serve them. I assume we would have to take the certified mail out of the hands of the process server and let the individual be required to do that.

MR. MADDEN: I don't think you have any problem there.

ASSEMBLYMAN HERMAN: I am saying, putting it in, the physical act of putting it in the mail box.

ASSEMBLYMAN BAER: That in this bill is provided for. In this bill, the landlord or his agent turns these letters over to the court all ready to go.

ASSEMBLYMAN HERMAN: I think that is the point which our witness objects to as becoming another crutch

for posting and not effecting personal service. Do I understand your testimony correctly?

MR. MADDEN: No, I don't object to that aspect of it at all. But I did suggest that the bill provide that the return receipt be returned to the court and not the landlord.

ASSEMBLYMAN HERMAN: Oh, I think that is a good suggestion.

ASSEMBLYMAN BAER: That is a worthwhile suggestion that has been noted. That could be accomplished within the existing bill because there is a certain latitude here provided for the court as to how this is to be handled. But it would be perfectly acceptable and may be an improvement to mandate that by the legislation. But it is necessary to have this process handled through the courts so that you won't end up with "sewer" mail delivery too, while relieving the court of the burden of all the paper work and requiring everything be prepared, ready to be put in the mail, including the receipt and everything else, and just hand it to the court --

ASSEMBLYMAN HERMAN: I can understand that.

ASSEMBLYMAN BAER: (Continuing)-- unsealed and open for inspection.

MR. MADDEN: The mailing aspect could be taken care of by the court clerk.

ASSEMBLYMAN HERMAN: I have no problem in buying that.

ASSEMBLYMAN BAER: All right. Thank you. Yes, Mr. Gardner?

T H E O D O R E G A R D N E R: I was one time told by a judge the reason courts close at four was because juries weren't capable of listening thereafter. So I will keep that in mind when I speak.

I am going to direct my remarks to 940. If you

assume for a minute you are an attorney and a guy comes into your office at three o'clock on a Thursday afternoon and gives you a complaint for a landlord-tenant case and he is charged with being a disorderly tenant or his landlord wants to rehab the place under the new bill or his landlord wants to bring his sister-in-law in to live there under the new bill or he claims there is rent due and owing, which your client contests; you sit down and you think, great, let's talk about it. I'll subpoena this person and I'll subpoena that person. I'll get these records and I'll call this office. By the way, when do you have to be in court? Tomorrow morning. If 940 isn't changed to provide further or in the beginning that there shall not be held nor occur in the County District Court any hearing on a landlord-tenant dispossess action pursuant to the applicable statutes until 20 days have passed from the date of service of the summons and complaint upon the tenant, everything we have talked about today is going to be really, in my opinion, worthless because it is unworkable.

ASSEMBLYMAN BAER: May I interrupt you a moment. I wonder whether there is some confusion between the notice required that a proceedings is to be held in court on eviction and notice that a proceeding has been held and an eviction has been ordered. This does not deal with the first. I certainly agree that there should be notice in advance of eviction proceedings. I believe that they are provided for by law. If there are deficiencies in that, we would appreciate your bringing it to our attention. But I believe that there is substantial notice provided and that the problem such as it exists relates mainly in our discussion to the previous bill where the process is not delivered. If it were, there would be timely basis for the parties to appear in court. But assuming that they do not appear in court, either because somehow still there is a failure

of process and they didn't know about it, nonetheless the process appeared to the court to have been adequate, one of the few exceptional cases which we hope there will be very few existing after we work out and get something in terms of the previous bill passed - this is the problem we are dealing with.

Now we have situations now - and excuse my going off at length, but I think there is a misunderstanding here - where after all the notices and all the proceedings, an eviction is ordered and whether it is the fault of the tenant, which it may be in some cases, or not the fault of the tenant, the tenant wasn't in court and didn't know that that eviction was ordered. The tenant may have young children who are innocent victims. The first thing the family knows, the constable is there at the door, pushing through the door, the furniture is going out in the street, the kids are traumatized, screaming, and maybe the furniture is getting rained on, because people just didn't have a brief notice to at least know that this was happening. This is after the court has already made a decision in favor of the landlord. And except where there are grounds for a stay, which this bill addresses in some degree, the tenant's rights are pretty much exhausted. But at least, this should be dealt with in a humane enough way that you don't do this unnecessary damage. And all this requires is at least a very brief period to tell the tenant the eviction is coming two or three days - I forget which it provides - before it does come, so that he can, at least, be minimally ready for it. That is the purpose of this bill.

MR. GARDNER: Well, perhaps my characterization of the problem,as I saw it, was erroneous. I fully recognize the ambit of 940. I am simply suggesting that there is not any law on the books today which requires any set

period of time to elapse prior to the holding of a hearing. All that is required is that service be effectuated and in practicality it occurs two, three, four days after the service. I simply suggested you put it in 940 because those are the only bills that you actually passed out today. I know 940 deals with post-judgment things. So let's just forget 940 and let's just take on the face of what I have said, if you don't submit a separate bill, embodying just what I spoke on, the whole panoply of this legislation is going to be meaningless from the point of view of the attorney and his tenant because you cannot effectuate meaningful defenses in the area of rehabilitation, disorderly person, nonpayment, the culpability question, bringing in the various departments and agencies, without giving the attorney some time for discovery mechanism, right to file counter claims, third-party claims, etc., all of which he presently is barred from doing at this point.

I am simply saying if what the committee is saying to me is, "We are only considering these bills; don't talk to us today about that," then I won't. I just wanted to add that. It doesn't have to go in 940. I simply suggest that you extend the scope of 940. If you don't want to do that, put it in the new bill. Until you do that, really a lot of this other stuff is going to be meaningless because it is unworkable. If you have a complaint and the guy has to go into court the next day, you can't subpoena the people, you can't engage in discovery, the guy says his sister-in-law ---

ASSEMBLYMAN BAER: I understand. I am not trying to tune you out on this thing. But I am glad we both understand that it doesn't belong in this particular bill.

Now are you referring only to court proceedings revolving around evictions or eviction-related matters?

MR. GARDNER: Yes.

ASSEMBLYMAN BAER: Then I guess it would relate to

that other bill. I would welcome your developing specific language, if you could for us, on that, either amending this bill or amending an appropriate existing section of the statutes that maybe should be added to this bill to accomplish that purpose. Could you get that to us within the next week?

MR. GARDNER: I will definitely do that.

The second thing on 940 is that I think there should be added a 2 (d) to provide the following, that in post-lockout situations, the court shall retain jurisdiction for a period of 20 days and shall have jurisdiction to entertain applications by either party in regard thereto. Because all too frequently you have the person come in and they have already been locked out. Again this is a time period of maybe 6, 7 or 8 days. The way the judges react at this point is, once the lock is already put on the door, they don't have any jurisdiction. That becomes a legal problem and I think the Legislature should address itself to that. I think it would fit in very nicely with (a), (b) and (c).

ASSEMBLYMAN BAER: Again I would like to ask you, if you could, to submit that specific language to us within the next week. I know a transcript is being made, but I doubt that the transcript is going to be available within that period of time.

MR. GARDNER: Fine. I have nothing further on 940.

In 947, Section 2 (c), should be amended at the end, provided that each property owner --

ASSEMBLYMAN BAER: 947, Section (c)? Do you mean Section 3 (c)

MR. GARDNER: I am sorry - 3 (c). After the words "State of New Jersey", there should be added, "provided that each property owner shall designate for purposes of receiving process an in-county resident in the county in which the land is situated." Otherwise you run into this problem:

The County District Court has jurisdiction countywise. For a lot of tenants coming from Jersey City where I work to Newark, you might as well talk about going from, let's say, New York to Vladivostok or something like that. They really don't know how to get here. If they want to go into court and get their security deposit back or something like that and they have to go through this whole business of finding where the person is and he lives down in Camden or it's a Chicago corporation - it's no place. You are talking about County District Court and the guy should be made, if he has property in the county, to designate an in-county person.

ASSEMBLYMAN BAER: Let me ask you a question about that. There could be conceivably a situation where a person owns a few small pieces of property in a number of small counties. Would there be a hardship involved in having to have some paid agent in each of these counties that would be able to do this or are there practical means whereby someone could just receive this and relay it and be available at minimal expense?

ASSEMBLYMAN HERMAN: Your point has merit, but it is easily solvable. May I suggest for the purpose of service, we say that the jurisdiction lies where the dispute lies, where the property lies. So it wouldn't matter how you would serve it. Because if you did that, as you know, in accordance with our laws, you could request the District Court of another county to serve process.

The best example of that is a motor vehicle accident under $3000 where you have multiple defendants.

MR. MADDEN: The statute specifies --

ASSEMBLYMAN HERMAN: That is exactly the point I am making. We would have to clean up the language to specifically provide for that purpose.

MR. GARDNER: If the language is there, you are

all right. But if the language isn't there, forget it, because the County District Court Clerks ---

ASSEMBLYMAN HERMAN: Well, that is exactly what I am suggesting, that you clean it up. You raise a valid point, but the Chairman also raised a point of some note and that is the appointment of a registered agent. And if you just say that the point of jurisdiction, in effect, is where the property is located --

MR. GARDENER: I have no quarrel with that if the language would be all right.

My second point on 947 deals with number 4. That would be the requirement of providing the names.-- You know, basically the penalties are not really there at all. Say that the State of New Jersey or somebody can come in under 2A:58-1 and force a landlord to register. It is ridiculous. We have had it on the books now for about three years, the Rent Receivership Statute, and in the last section that requires the landlord to register with the County Clerk's Office. They don't register. There is no prohibition there. If you really want to put some teeth in this, if you really want to help the tenant, what you should put in there is a proviso that in no case may the County District Court enter a judgment for possession unless the requirements of this particular section have been complied with, and, furthermore, the registering shouldn't be with the County Clerk's Office - it should be with the County District Court Clerk. Because that is the person who deals with it. You call the County Clerk's Office -- I mean the City Clerk's Office -- and they don't know what you are talking about. Let's keep it in the ball park where people know what is going on. The County District Court Clerk knows the landlords, knows what is going on. And if you really want it to have some meaning, give it to them. Let them control it and the

attorney can do something and the tenant can do something.

ASSEMBLYMAN BAER: There are different purposes for different locations. It may need to be somewhere in the municipality, as pointed out before, not necessarily the County Clerk in terms of 24-hour accessibility, but somewhere in the municipality in terms of emergencies. I see the point that you are raising in terms of there may be some purpose in it being in the county.

Let me ask you in relation to this: Would that then raise a defense for any eviction, based on the most trivial noncompliance with any part of this bill? And although there are some portions here that have a good bit of consequence, there may be some where updating a tenant, let's say, with the latest change in the name of a mortgage holder would be asserted as a defense for eviction. I haven't read it carefully to see if in fact that would be the case, but are you proposing that any noncompliance with it be a defense for eviction?

MR. GARDNER: Yes, because otherwise I think you are just passing meaningless legislation. Legislation has to have teeth in it. The only way you are going to get the landlords to register - and there are good reasons why you want the landlord to be registered or the mortgagor or the insurance company - that's fine too -- but you have to get them to do it and they are not going to do it unless there is something meaningful that can be thrown up in their face.

ASSEMBLYMAN BAER: Let me ask you this: I can see that this would provide an incentive in that portion of the real estate market where evictions occur commonly, and that certainly is in your bailiwick, but that certainly does not cover the whole real estate market. Do you have any thoughts so far as tightening enforcement in that portion of the market where evictions don't occur very often

and it isn't going to deter a landlord if he can't evict someone from a luxury apartment?

MR. GARDNER: I really don't have much experience in that area. I am really speaking as a Legal Service Attorney, but you know you have to have it. It makes sense. Otherwise,this business about registering and penalty provisions. That is futile. They haven't collected a penalty for failure to register since before the Emancipation Proclamation. It really doesn't make any sense.

In the same bill, number 5, as it is presently constituted, doesn't have any meaning at all because if you can't find the guy, you can't go into court and file any papers against him. The way the process works, you have to walk into the County District Court Clerk's Office. If you are a tenant who doesn't speak English or you are a low-income tenant, you say, I want to get my security back. Then they say, where is the guy? If you say, I don't know where he is, they are going to say, goodbye. So this business of he can't assert any defense relating to personal jurisdiction or service of process, provided the tenant shall have made a reasonable effort - that's fine if he can get before a judge. But if he can't get before a judge, he can't get the complaint filed.

ASSEMBLYMAN BAER: Why can't you get before a judge?

MR. GARDNER: Maybe if a tenant is represented by me, maybe I, personally, can prevail upon the County District Court Clerk to file the complaint. But they are going to say, "Where am I going to serve it," you see. And until they serve it, it doesn't go on the calendar and you can't get a default against ---

ASSEMBLYMAN BAER: Well, that is based on the present law though. We are saying if the landlord is ducking --

MR. GARDNER: You are saying in 5 though that that can't be a defense. But that presupposes that you are in

the ball park. I am saying you can't even get into the ball park without the name and that is another reason why you need to have a guy in the county. Do you follow what I mean? Because you can't even get the papers so that you can get on the calendar.

ASSEMBLYMAN BAER: I don't follow you. It may be because of this post four o'clock problem you pointed out.

MR. GARDNER: How do you sue somebody who doesn't exist?

ASSEMBLYMAN BAER: I think I understand what you are saying at this point. Let me see if I do. But it doesn't render this section ineffective. This section, among other things, is intended to put pressure on landlords to notify. Now if a landlord does not provide notification and, in fact, cannot be reached, this is intended to still allow the tenant who knows who the landlord is to proceed in court, that the landlord cannot by hiding out, so to speak, and block the court process. For that, it has a value. I think your argument is, if, in fact, the landlord is not only ducking but is invisible and is unknown, it doesn't solve that. And I welcome the suggestion --

MR. GARDNER: I say the in-county thing or the wording that this gentleman offered --

ASSEMBLYMAN BAER: All right.

MR. GARDNER: There is a final point I would like to make and it again gets into the 949 - 947 characterization problem, and it is this: At present, if a guy comes into your office and the landlord hasn't instituted an action against him, but you want to go in representing the tenant, let's say, for specific performance of the contract or for an injunction, you have a hell of a lot of problems. If the County District Court says that they don't have jurisdiction in an equitable matter, then you go up to the Superior Court and the judge says it should be in County

District Court. If you try to remove it, you have all kinds of problems.

(Discussion off the record.)

MR. GARDNER (Continuing): I think you need a general jurisdictionally conferring statute dealing with the County District Court and saying that the County District Court shall henceforth possess full equitable powers to resolve disputes and controversies between landlords and tenants and shall have jurisdiction over any applications thereunder by either the landlord or the tenant. Because one of the problems that presently exists is this: Removal, yes, if you are an attorney representing a tenant and the tenant comes into you, has a retaliatory eviction complaint against the landlord, has a Marini complaint against the landlord, has a specific performance complaint against the landlord, the first question that comes into your mind as an attorney is: Where do I go? If you want an injunction, you go to Chancery Court. When you get into Chancery Court, the judge says, "Wait a minute. This is a landlord-tenant matter; you should go back down to the County District Court." If you go to the County District Court there is case law that says the County District Court judge has no equitable power - he can't issue injunctions. He is just a guy who sits there and does what the statute says - go away. You have a big problem. The only resort you have is you can go and try to remove. And when you try to remove, that is like asking the Catholic Church to permit you to perform an exorcism.

So I think if you really want to put a little more meaning into this whole business, you have to basically deal with that kind of a thing. I think what I have given you is an attorney's point of view; maybe they are procedural, but you have to get around them if you want to have any meaning to this whole package.

ASSEMBLYMAN BAER: All right. Those suggestions incorporated some language. Again, if you could submit those in writing to us within the next week, it would be appreciated.

Any questions? (No questions.)

Thank you. Your testimony has been very valuable, very helpful.

Let's take a five-minute break.

(Five-Minute Break)

ASSEMBLYMAN BAER: The hearing will come to order, please.

I would like to ask Mr. Furst to testify.

J O S E P H F U R S T: My name is Joseph Furst and I am a member of the Rent Levelling Board in Fairlawn, New Jersey.

I am here because I feel that the Reprisal Act is inadequate. It provides for no punitive action against a landlord who is guilty of reprisal. And I feel that unless we have punitive sanctions against such a landlord, the law is woefully weak.

ASSEMBLYMAN BAER: You mean the Tenant Reprisal Act?

MR. FURST: Yes.

ASSEMBLYMAN BAER: Do you have any specific comments on any of the legislation here today?

MR. FURST: Yes, I do. But most of the comments have been covered by this late in the afternoon. I feel that as far as the condominimum section, this requires extensive development. The 51 per cent requirement is fine. There is nothing wrong with that. But there are so many factors involved with condominimum ownership, such as: When do the individual owners take management of the condominimum? All these things are lacking. In other words, we can easily obtain pending legislation from the State of Florida, and they certainly are covering the

aspect.

As far as 943 is concerned, on the State level it gives no remedy to the tenant who has been illegally or arbitrarily evicted. Where is the remedy spelled out? You might say, well, it is in the Reprisal Act, but that is insufficient. Let me give you a story of what happened at Fairlawn most recently.

ASSEMBLYMAN BAER: Could you try to keep that brief?

MR. FURST: Yes, I will. But it cites the problem. There was a new landlord who took over a cluster of two-family houses, which incidentally are controlled in Fairlawn. In other words, a two-family house, which is not occupied by the landlord, is controlled in Fairlawn. I think that your 943 covers this aspect because it says "no tenant at will", but I am not sure that it does because the multiple-dwelling definition does not cover a two-unit house.

Now a two-unit house in which the landlord is not in occupancy should be covered. These tenants are covered in the Fairlawn Rent Ordinance, and it was highly essential that they be covered because there were numerous violations among this group of tenants. So it is very important that your act cover a two-family house in which the landlord is not in occupancy.

Getting back to the Fairlawn case, this landlord acquired a cluster of two-family houses. He immediately gave a 30-day notice to the tenant who was paying $65 a month and supplying is own heat, of course, raising the rent to $125. The tenant ignored the notice and told him that he would pay any rent fixed by the Rent Levelling Board. Thereupon the landlord sent another 30-day notice, raising it to $150 the following month. He ignored this as well. Finally the landlord sent him a notice without any reason specified to get out. The case came up in the District Court - I don't know all the facts - but it was based on the landlord's giving the apartment to his

parents. The judge granted the eviction and, low and behold, the parents do not move in - it is rented to another person.

What is interesting about this eviction case is that the constable or marshall, whomever it may have been, gave the tenant just 15 minutes in which to get out. He came to his door and said, "Pack your things. You have to get out." And this is what happened. This involved a family consisting of a man and his wife and a small child and this occurred at night. Of course, three days later, they were allowed to move their belongings out. But this is the sort of thing that should be controlled because it creates horrible hardships. And, of course, it is obvious it is a retaliatory eviction. But, nevertheless, the court ordered the eviction and the tenant had no recourse but to sue. Now to sue for what? What punitive action can the Rent Levelling Board of Fairlawn take against this landlord? None.

ASSEMBLYMAN BAER: Could you now relate that to this legislation in terms of what specifically you want us to do?

MR. FURST: Yes. 943, which I feel is very acceptable, lacks any punitive sanctions against a landlord who is guilty of a reprisal eviction.

ASSEMBLYMAN BAER: I see. That is noted. I don't want to get into a discussion at this point. I note your views. I believe that the Tenant Reprisal Act provides for disorderly persons penalties. Is that correct?

MR. FURST: No, it does not. In other words, the Reprisal Act, which I have here, merely gives the ---

ASSEMBLYMAN BAER: The Tenant Reprisal Act?

MR. FURST: Yes.

ASSEMBLYMAN HERMAN: That is something we can check.

ASSEMBLYMAN BAER: This is something we can check, but I developed that act myself.

MR. FURST: I checked with the young man, the attorney here, who last spoke and there are no punitive sanctions in the Act, definitely not. It gives the tenant the right to sue, but this is not what we need.

ASSEMBLYMAN BAER: All right. We will look into that. I think you are mistaken, but I will research it.

MR. FURST: I am not mistaken, Mr. Baer. There is no punitive sanction as far as the landlord is concerned. The original bill had sanctions, but the Legislature removed those sanctions.

ASSEMBLYMAN BAER: I wrote the original bill.

MR. FURST: Then you should know.

ASSEMBLYMAN BAER: But that was a number of years ago. I will look into that.

MR. FURST: Did you ever give any thought to giving the municipality the right to control evictions in those municipalities that have rent control? Did you ever give thought to saying something like this as a preface to your law, "Any municipality which has adopted a Rent Control Ordinance may amend said ordinance to include the following eviction controls," and then, of course, the just cause provisions, as well as a punitive sanction to a landlord who is found in a court of competent jurisdiction to have effectuated a reprisal eviction?

ASSEMBLYMAN BAER: Would you submit that to this committee.

MR. FURST: I would be happy to.

ASSEMBLYMAN BAER: Would you also, if you could, within the next week submit to the committee how this dual jurisdiction could function, if it can, without conflict.

MR. FURST: It can only function with enabling action on the part of the Legislature.

ASSEMBLYMAN BAER: I realize that legally. I would appreciate if you would outline how you feel it could

function without creating conflict. I realize theoretically all the Legislature needs to do is pass a bill and you have dual jurisdiction. But if you could give us your thoughts --

MR. FURST: But we don't need that dual jurisdiction if your law will contain sanctions - if your law in your particular provision as to alterations spells out the requirements for such an eviction. That has already been mentioned. The requirements for the eviction should have the plans and everything else drawn up. And if you have that in your bill, the judge will have to see that that is complied with. Other than that, if you have sanctions against reprisals, that will cover the eviction as far as the immediate family is concerned. Then we don't need any enabling legislation.

On the other hand, if we had enabling legislation, the Rent Control Boards in the numerous municipalities could require a certificate of eviction in connection with only two phases, that is, occupancy by a member of the immediate family and the need to alter or remodel. All the other good cause factors would not require an eviction certificate.

ASSEMBLYMAN BAER: I see. Anything further?

MR. FURST: Yes. Getting away from evictions, I feel it is high time that the Legislature look into a State enabling act, which would create uniformity among all the municipalities, because there is a great variation now existing among all the municipalities. For example, we in Fairlawn are adhering to the ---

ASSEMBLYMAN BAER: You are talking about rent levelling now?

MR. FURST: Yes. In other words, I am saying that the Supreme Court decision was fine. It enabled the municipalities to enact their own legislation, their own ordinances. But now there is such a variation that a tenant living in Springfield has a better relationship or

a better economic situation than the tenant that lives in Fairlawn.

ASSEMBLYMAN BAER: Mr. Furst, do you have anything further on the legislation that is before the hearing today?

MR. FURST: Outside of the condominiums, outside of 943 and the fact that I feel that the committee should look into the uniformity of the administration of local rent ordinances - and the way to do that -- I feel they are on the right track with Assembly Bill 2185, and it disappeared.

ASSEMBLYMAN BAER: Right. I was co-sponsor of that at the time, but I don't want to go into those circumstances. It is not that I am not interested in these other areas you are talking about. I can understand from your point of view how frustrating it must be when you come all the way down here and sit through a lot of other people talking at length to be rushed yourself. I do want to apologize to you. But we do have a problem of getting out of here today in time. I am interested in your views on these other matters. I am not tuning you out, but I would very much appreciate it if you could communicate that to us in writing because they are important matters and I do appreciate your coming all the way down here. Thank you for your testimony.

MR. FURST: Thank you.

ASSEMBLYMAN BAER: Next will be Mr. Varon. I want to thank you for your patience. Will you identify yourself for the record.

S T A N L E Y V A R O N: My name is Stanley Varon. I am the Managing Attorney of the Housing Unit of Newark Legal Services. With me is Philip Steinfield, who is a staff attorney with our unit. I have also been asked by Mr. Stephen Nagler, who is Executive Director of the New Jersey American Civil Liberties Union, to represent

to the committee in the absence of his representative, Mr. Callan, that they support the position that will be taken by Newark Legal Services in favor of these bills. They have also dealt with landlord-tenant problems through a neighborhood community legal action workshop that they have and they are interested in these bills from the point of view that they feel it increases substantive and procedural due process for citizens.

As to Newark Legal Services, we, of course, are the O.E.O.-funded legal service agency for the City of Newark and thus are charged with representing indigents in civil matters, and therefore represent most of the poor tenants in Newark in their relationship with their landlords and when they are involved in litigation.

The first thing we would like to consider is two bills, 58 and 943, that deal, in effect, with setting up a No Cause-No Eviction Law or Act.

P H I L I P S T E I N F E L D: If I can preface that statement for a minute, I think that it should not be misconstrued for one moment - and I think I am speaking on behalf of Mr. Varon as well as myself when I say that we certainly appreciate the sponsoring legislators' concerns with these matters, as witnessed by these proposed bills, and our comments speak probably not so much to disagreements with what bills should be doing, but whether or not they are effectuating the purposes that we believe they were designed to. That would be the nature of our comments, taken in that context.

ASSEMBLYMAN BAER: And that is why we are having the hearing and we welcome that.

MR. VERON: As to the no cuase-no eviction matter, we think this is really important in that we think it strengthens the retaliatoryeviction statutes already on the books. We think it is good to strengthen them. Also it reflects the fact that everyone talks about, that there is serious

difficulty in finding apartments. There is a low-vacancy rate. We also acknowledge that there is a serious inequality of bargaining power between tenants and landlords. We think that this helps that. In effect, it gives the tenant -- Mrs. Aranow talked about property rights and individual rights. Well, the right of a tenant to possession of his apartment is also a property right as well as an individual right. We think it strengthens that property right.

There is a case that just came out of the Supreme Court of New Jersey, Marinello versus Shell, which deals with commercial properties and which seems to indicate that the Supreme Court is willing in this State to say something about the renewability of leases in the absence of any specific causes that would prevent their renewability. And this would extend that to residential tenants.

ASSEMBLYMAN HERMAN: Have you a cite on that?

MR. VARON: No. It is Marinello versus Shell - a fellow who owns a gas station. It was in the Law Journal and I just thought of it while I was waiting.

We have 58 which attempts to amend 2A: 18-53 and Assembly No. 943 which attempts to amend Chapter 42 of 2A. We believe that both things are necessary and that in order to effectuate this purpose, it is necessary to amend 18-53, which is the procedural eviction statute, and it is necessary to put something in Chapter 42. So we are in favor of doing both those things which these two bills do. Of course, we think the language in the two bills should be reflective of each other. What one specifies as the causes for eviction, the other should, so there will be no question and no confusion. They don't do that at the present time. I see that they were drafted by different members of the Assembly. But they should be resolved in that matter and they should both be done. The language should be put into 2A:18-53 and in Chapter 42 of 2A.

As to the specific language in 58, we think it is open to a lot of loopholes and perhaps evasions and subterfuges. It talks about the demand for possession and the written notice and then it talks about the reasons for eviction. We think as long as we are going to make specific reasons for eviction that the amendment to statute 53 should talk about those reasons being in the notice. When the landlord gives the tenant that notice, it should specify the reason he is being evicted and also perhaps there should be some language about the burden of proving the cause of action.

This specific language talks firstly about a landlord intending to withdraw his premises from the housing market for at least one year and 943, on page 2, in 2 (f) talks about that also. And that confused us somewhat. We felt that if a landlord was doing that, there should be a specific reason for doing that. Being there is a housing shortage, we see that as a loophole. What does it mean to withdraw your housing unit from the market for one year unless you have something specifically in mind? We think that the law should clarify that and not just talk about arbitrarily withdrawing a unit from the housing market for a year because that can be a loophole which the landlord can use. Furthermore, the language "he intends to withdraw it" - what happens to the tenant who is evicted and then the landlord changes his intention? It is very open language.

ASSEMBLYMAN BAER: Could you submit some proposed language on that?

MR. VARON: Well, we have only had a few days to work on this. We are able to submit some specific proposal. We wouldn't take six months; we would take about six days to do it.

MR. STEINFELD: If I could further comment on that one specific provision, I think realistically speaking

if you view the landlord who is in business to rent - that's why, at least, in the past he was renting - who intends to withdraw his premises from the market for a year, I think this would clearly be a subterfuge and my recommendation in this language would be to just delete it in its entirety.

ASSEMBLYMAN HERMAN: Why?

MR. STEINFELD: Why? Because among other things, my good-faith intention today does not mean my good-faith intention a week from now or a month from now would not be different. I am concerning that proving intention -- and if you are aware of the legal problems of proving intention, it is not an easy thing, compounding the fact that it would be very easy to say "I intend" and you don't come back to court three months later to say whether or not your intention has been carried out or why it hasn't been carried out.

I think that currently under the Reprisal Law,which raises a rebuttable presumption for the tenant-defendant asserting that defense, the landlord merely states - and this is the practice in court - that this is no reprisal. Even in the case where the court finds there is a reprisal motive to notice for a tenant to terminate their tenancy, the typical situation is that the landlord testifies that this is not a reprisal. This testimony also puts the burden back on the tenant to prove the reprisal. I am saying in the landlord's opinion, he might fairly, honestly, reasonably think he is not reprising while the court might decide otherwise. The point about something as easy to say as, "I am going to take my apartment off the market for a year; that will give me time to refurbish it" ---

ASSEMBLYMAN HERMAN: How about if he is barred from actually rerenting it for a year if he agrees to that type of consent order?

MR. STEINFELD: I think that would speak to the problem, except for two things. First of all, I don't see how it could be reasonably enforced, inasmuch as the statutes we already have on the books, as desirable as much of it is, is not easily enforced. Secondly, we don't want to penalize the tenant population as a whole by having one less apartment to choose from in seeking their shelter needs. I don't want to see a penalty on the landlord either. I just want to see fairness to both parties. I can't imagine a landlord in the business of earning a return on his property wanting to intentionally withdraw his property for a year. I think it is clearly so subject to the possibility of abuse that it is unconscionable to include it in the legislation as a cause.

ASSEMBLYMAN BAER: You don't see any possibility that on a bona fide basis a landlord might want to withdraw housing from the market, finding it unprofitable to continue using that building for housing due to circumstances where his costs are going too high or due to a situation where he wants to make new use of the land or new use of the building? You don't see that that is likely to be a real situation that could occur?

MR. STEINFELD: I think that it would be very unlikely for a new use of a residential premise. With zoning regulations, you can't convert easily a residential premise to office space, for example.

ASSEMBLYMAN BAER: Aren't there lots of residential places already in commercially-zoned areas, particularly in city areas? Not that I am saying as a matter of policy -- we should necessarily be doing everything we can to encourage retiring of additional units of housing when we have a shortage. But I am trying to see whether you feel that a property owner could have a bona fide reason for wanting to do something different with his property.

MR. STEINFELD: I think that if there were a bona fide reason - and that is a value judgment, I guess,

in the end result - I would assume that the times a landlord has a bona fide reason would be so minimal in the common experience over the years that you could legislate that purpose through the other just causes rather than saying, just retiring it. If you want to find just causes for converting the use of the premises, specify what use would be proper as opposed to just retiring it and leaving open this potentially tremendous loophole.

ASSEMBLYMAN BAER: Then if I can break in, you do not share with some of the other witnesses the objection to the landlord having the right to evict for the purposes of renovating or modifying the premises --

MR. STEINFELD: No.

ASSEMBLYMAN BAER: (Continuing) -- assuming that there are controls like some of those that were suggested, which sounded like excellent ideas, to make sure that that bona fide reason is what is going to be done and that it isn't a subterfuge?

MR. STEINFELD: Assuming adequate and viable controls, I would think that that would be one of the necessary exceptions that I personally would not prefer, but would see as a reasonable need, or something that you have to agree to for getting a viable alternative.

MR. VARON: I think there is a balancing. I think there is the problem of the shortage of housing, but there is the other problem that to some extent if it's the landlord's property, he has some right to reconvert it and remodel it and fix it up. Of course, in the long run if you are remodeling residential property to improve it, you might benefit tenants and the tax rate might be raised. So I agree that that is reasonable. We think the language ought to be specific so it is not open to loopholes and varying interpretations.

The other thing here that is a real problem is the language "unless the landlord can satisfy the court of

the reasonableness of his demand and that the tenant will suffer no hardship." That is just too open. And with all due respects to the Judiciary, it would be a matter of days from the enactment of this into law that a number of judges in the lower courts would find that it was reasonable for a landlord to evict a tenant because it was his property and he was entitled to possession and there is no real hardship because the tenant can look around for another apartment.

I think that that language has to be made more specific and reflect the specific language in your bill, Mr. Chairman, in 943.

The other thing Mr. Steinfeld mentioned about 58 about which we are slightly confused is the language "he or his spouse". We weren't sure what the Assemblyman meant by that.

MR. STEINFELD: That is lines 14 and 15.

MR. VARON: Did he mean the husband and wife separating and one of them moving into a house owned by one or exactly what does that mean?

MR. STEINFELD: We would assume the purpose there was the landlord or the landlord's spouse or the relatives named, a relative of either side, either spouse - either the landlord or his spouse if both spouses are the landlords - rather than the landlord wanting an apartment vacated so that the landlord's spouse can move in. I think that right now the wording now leaves it open to interpretation. While reasonable minds clearly would understand the intent, when you get into court, people raise very picayune distinctions and the court has sometimes felt that its hands are tied and they have to go along with those distinctions, although they would not really think the intention was such.

MR. VARON: On 943, Mr. Madden and Mr. Gardner from Hudson Legal Services, brought up something which

we felt was obvious. In 943, it talks about civil actions in a County Court or the Superior Court. I think it should read "the County District Court." I thought maybe that was just a typographical error because most eviction actions - almost all of them - are in the County District Court. I don't even know how you would bring it in the County Court. So that should be changed.

Then there was some discussion of the word "lessee." We really didn't have a problem with that. I think the way it reads now is what is meant, without commas in it; just to clarify that, maybe it would help to put in that other language that Mr. Madden suggested.

MR. STEINFELD: In commenting on Section 2, at line 2 -- well, in Section 2, I would recommend instead the language found in Bill Number 58, 2A:18-53, for the first four lines or so, because there is a legal distinction not usually observed or even recognized by most lawyers and even jurists, but a lessee is a party who has made a contract with a lessor, namely, a landlord, to rent premises. A lessee becomes a tenant when he takes occupancy of the premises. So every tenant is a lessee, whether it is through a written or oral lease, but every lessee is not a tenant. A tenant, we thought, refers to someone who is in occupation of premises through a lease agreement. But a lessee doesn't have to be in occupation. That is why I think the language in Assembly Bill 58 - and I realize that that is the current language in the enacted legislation - could be modified to "any lessee or tenant", as it is indicated in 2A:18-53.

MR. VARON: Perhaps eliminating the words "at will or at sufferance" and just have "any lessee or tenant".

The other thing in 943 - 2 (a), which is on line 6, "Where possession under a claim of title to real property is at issue," I remember Mrs. Aranow saying that she really didn't understand that and I am not sure I do

either. I think that is a problem.

ASSEMBLYMAN BAER: I would like to call your attention to the fact that the last two points you made are points previous witnesses have made. In the interest of time, we would appreciate it if you could go on to new territory.

MR. VARON: We are going to try to do that. We sort of had this presentation prepared and it is hard to change it. We are trying to.

All right - that is something she raised.

Part (c) - and I am not sure anyone else has raised it - "Where such person is using or knowingly permitting the premises to be used for an illegal purpose," we are not sure what is meant by that. If it is a criminal purpose and it is a civil proceeding for eviction, we are not sure what degree of proof would be required for proving a criminal purpose.

ASSEMBLYMAN HERMAN: Are you suggesting adding the word "purpose" or "activity"?

MR. VARON: I am not sure what it means. We thought perhaps what was meant by "for an illegal purpose" wasn't running a bookmaking joint in your apartment, rather someone violating a zoning ordinance. If that is what was meant, that should be specific. Because if it is a criminal purpose, we assume that if someone is using the premises for a criminal purpose, they are going to be arrested and put in jail; and once they are arrested, they are going to stop doing that.

ASSEMBLYMAN HERMAN: Have you ever heard of probation?

ASSEMBLYMAN BAER: What if,in fact, it is a zoning violation? I remember 20 years ago I was renting and I was a hobbyist and my landlord accused me of running a factory in the apartment. But in all seriousness, if there were a legitimate zoning violation, how would you stand on that?

MR. VARON: That is legitimate, but perhaps the language should say, or there should be another section saying, "where such person is using or knowingly permitting the premises to be used for a purpose in violation of any local zoning ordinance." You are going to have a difficulty in someone attempting to evict someone for doing something which is criminal and the problem of proof in a civil action.

ASSEMBLYMAN BAER: What I am trying to understand is what type of illegal activity - since you have no objection to criminal and you have no objection to zoning illegalities -- what type of illegal activity do you feel should not be a basis for eviction?

MR. VARON: No, there is no objection to "criminal." It is the problem created by interpreting it as criminal. I don't think it should be interpreted that way, that a criminal activity should be through the criminal process. If someone is committing a crime, it is up to the police to enforce that. And it will create more difficulties than it is worth to have landlords alleging that people are violating the criminal law in a civil action for eviction, and putting it in the hands of a judge sitting in a civil action, attempting to determine whether or not someone is violating the criminal law.

ASSEMBLYMAN BAER: But aren't there different standards of proof between civil matters and criminal matters?

MR. STEINFELD: Yes. If I could just add a few comments, I think that if you construe the wording of Section (c) as it is now to mean for any illegal purpose, including, let's say, a criminal activity, theoretically, at least in my mind, I don't see how a landlord saying that the apartment was being used as a base for a house of prostitution - you could not determine that is a criminal use situation until you had a criminal case being adjudicated. Otherwise, in our system, you are not

proven guilty of a crime yet and how can a landlord evict you for an illegal purpose?

I would suggest also, if you are committing a crime, the criminal law has an adequate sanction against the party. But I think the point the Legislature should be concerned with is an illegal purpose in the sense that the tenant is doing something in the apartment -- it is overcrowded - it is being used in some other way contrary to an ordinance of a municipality.

ASSEMBLYMAN HERMAN: As an attorney, I don't find in thinking it over any real problem with the term "illegal" because I think it covers the gamut from the zoning to any activity barred by law.

I can carry it further, with due deference to the hour, just on that particular point. It is quite obvious that the landlord would be put to the test in any event to establish that what is being conducted is in violation of some existing law. It's like going in traffic court. If you are found innocent there, it doesn't mean that in a civil court a different remedy can't be established. I don't think it is worth picking apart.

ASSEMBLYMAN BAER: Are you raising this as a civil liberties issue?

MR. STEINFELD: No.

ASSEMBLYMAN BAER: What I am trying to understand though - for instance, if there is evidence that it is an illegal use, let's say, because of some rule of evidence that would preclude its being used for criminal purposes, but allowed as evidence to be used for civil purposes, this evidence is before the court and there is evidence it is illegal, you can't convict someone on it, but nonetheless it is a fact that is admissible in court and you are saying that you should not be able to evict on that basis unless you can sustain a conviction first?

MR. STEINFELD: I would suggest in the hypothetical of the apartment being used for a base for prostitution,

if you in a civil court went in on a summary to dispossess, that you are using that for an illegal purpose - you cannot prove in a civil court that the apartment is being used for prostitution in violation of the law, which is a criminal law. And the landlord would have to wait to say it is an illegal purpose of a criminal nature until it has been adjudicated a crime or the commission of a crime.

ASSEMBLYMAN BAER: I understand your position.

MR. VARON: I think there was some comment about (g) which talks about the owner renovating, and the concern that perhaps - and maybe someone else mentioned this - there should be something filed or some proof made of what the renovation is going to be.

ASSEMBLYMAN BAER: That is a point that has been made and it is a very excellent one, I think.

MR. VARON: There are two bills, 940 and 951. (Mr. Varon confers with Mr. Steinfeld.) Mr. Steinfeld suggests we give you something in writing at a later date.

(Discussion off the record.)

MR. VARON (Continuing): 940 and 951 deal with notice requirements before and after the action. We think 940, the three-day rule on warrant for possession, should probably be called, the act for Legal Services Attorneys, in that it gives us another three days to run around and try to stay an eviction. The usual scenario now is someone comes into our office, perhaps after coming home from work and finding they have been locked out of their apartment. And we have to get an order typed, a certification typed, and find a judge. If a person walks in after court closes on a weekend, it is a problem. Some people don't have time to get to our office on one day's notice after they have been locked out. That's a problem. Sometimes they get to our office and the secretary who is supposed to type the application to the court is sick.

ASSEMBLYMAN BAER: We are aware of your problems.

Are you saying, in essence, you are for the bill?

MR. VARON: We are for it with one exception. There is one exception that the sponsor made, where the person is present in court and there is a default in the payment of rent. We would not like that to be an exception. I understand what your thinking was that if a person hasn't paid their rent and is in court, they are fully aware of all circumstances and it is their fault. But I would like to raise certain instances that occur in Newark. Remember we are dealing in Newark with an extreme poverty community and with people who don't always understand. A person can be in court, pro se, and not really understand the proceedings. Even in a nonpayment of rent case, what has happened a number of times, the judge has said to a person, "I'm finding that you owe $100 rent. I'm issuing a judgment for possession. The warrant will issue in three days unless you pay the $100." Sometimes the person really doesn't understand what the judge just said, that they have three days to pay the $100. Sometimes the person goes home and gets their $100 and looks for the landlord and can't find the landlord for three days. And after three days, the landlord has the warrant issued, even though the person was ready and willing to pay all the rent and all the court costs. Sometimes the landlord refuses to accept it on the second day and goes into court and gets the warrant issued. Maybe 947, which is the landlord's registration statute, will take care of that. But we still think it is a problem and we still think that 940 should be made to apply to all situations, including nonpayment of rent.

The hardship suffered by the landlord by having a person who hasn't paid rent stay there another three days, we don't think is as great as the hardship that is suffered by people who are caught up in that circumstance, who are being evicted on maybe one day's notice or a couple of

days' notice, who have been locked out, who did try to pay their rent or didn't understand what went on in court and weren't represented. We think that should apply to all situations.

ASSEMBLYMAN BAER: Question: What makes you assume if someone is unable to understand what is going on orally in front of them, that they are going to understand better what they receive in a written notice that is probably even more technically phrased?

MR. VARON: It doesn't, except it gives them two chances to understand and sometimes they will pick it up. In court proceedings, you are in a crowded courtroom - it's noisy. Our clients are extremely intimidated by that. It is hard to imagine unless you have dealt with it. They are scared to listen. They are afraid of what is going on. When they finally get something from a constable on the door saying, "You're going to be locked out of your apartment tomorrow and all your possessions are going to be removed," then it gets to them.

ASSEMBLYMAN BAER: Would you be satisfied, so as to avoid the superfluous trip that would follow after such a proceeding in court, if the bill were modified to require alternatively a notice to be delivered there in the court, so that the parties to be evicted would be given in the court a notice, either from the landlord or by the court - that would have to be worked out - but something in writing that would be handed in court so as to avoid this unnecessary requirement of a later trip?

MR. VARON: I don't know whether it would be practical. It is possible if they were handed a notice saying, the judgment for possession has been entered and unless you do so and so, you are going to be locked out of your apartment in three days. We would hope that a judge sitting on the bench would explain that, depending

on the judge, but that could be helpful.

ASSEMBLYMAN BAER: I assumed so too and that is why it was written this way. But if you feel that it wouldn't --

MR. VARON: It might help.

ASSEMBLYMAN BAER: I would think some standard form would be prepared if this were modified in that way and that either the court or the landlord would use the form in court.

MR. VARON: Perhaps that could be something that could be clarified. The simpliest way we feel would be maybe to take out paragraph 2, but that is our difference.

ASSEMBLYMAN BAER: I will take a moment to say that as the sponsor I would be reluctant to do that for the problems the bill would encounter in terms of those who would say it might be unreasonable. But if you would want to propose some language to me that would provide for notice in court within the next few days, I would very much appreciate that.

MR. VARON: We will work on that.

But we really like 940 because it gives us another three days - it gives the tenant another three days. Anybody like the gentleman this morning who said an eviction isn't traumatic is welcome to sit in my office and see how traumatic it is.

ASSEMBLYMAN BAER: I well know.

MR. VARON: The other bill, 951, about the mailing, you discussed with Mr. Gardner at length. We have some disagreement amongst ourselves. We think that the bill as it is is very helpful, providing those two alternate mailings. We are not sure whether the thing about tacking should also be amended. I would have to think about that some more. I think though the provision as it is now goes a long way to remedy the "sewer service" condition.

ASSEMBLYMAN BAER: Are you suggesting that you will have some views in the near future on that?

MR. VARON: I may when I look at it again and speak to the people from Hudson County.

MR. STEINFELD: Just backtracking in chronological order, the two security deposit proposed changes in the Security Deposit Law, numbers 232 and 284 - I don't believe that we have any substantial objections to those changes. However, I think it would warrant the attention of the committee that the serious problem with the security deposit as it now exists is that it gives the original owner to whom the security deposit was paid the opportunity of retaining it when there is a sale of the premises to a new owner. I don't think that this has to be. Without going into the reasons why that was probably done, I think it would be much more equitable to require as a condition of sale where a new owner purchases the building subject to the existing tenancies, there be a transfer of that money, making the new owner responsible. Because frequently in the practical sense of enforcing this law, the old owner fails to inform the tenant that he still has it, and subsequently the situation comes up where you can no longer find the old owner. He is no longer the record owner of the property. There is no real way of locating that person and the tenant is out the security deposit plus the accrued interest.

I don't think there is any real reason not to require the transfer of that money as part of the condition of sale, leaving the new owner, if it would come to that, on notice that if he doesn't get that money from the landlord, you are in effect increasing the purchase price of those premises.

MR. VARON: I think the burden should be on the buyer, whose attorney presumably as well as doing a title

search should inquire into all these other matters.

ASSEMBLYMAN HERMAN: I think that is important.

MR. VARON: On the registration bill - and that is 947 - the definition of landlord talks about the owner of residential property. A landlord though might be a person who doesn't own it. It might be a person who is renting a large amount of property and subrenting it. So we think that should be "landlord" -- that was the thing you raised, right?

We think the term "landlord" as used by this act shall mean the owners. We think the words should be added, "and/or lessors" of all residential property. You might have a situation where the owner of an apartment building leases the whole building to someone else, who then sub-leases it to tenants. We think that person who is then a landlord, but not the owner, ought to be responsible.

ASSEMBLYMAN HERMAN: Are you talking about an owning and leasing corporation?

MR. VARON: Yes, something like that.

MR. STEINFELD: Or anyone. If you sublease, the person subleasing, the sublessor, is a landlord to the sublessee.

MR. VARON: I am not sure it should apply to an individual like me if I sublet my apartment to a friend of mine.

ASSEMBLYMAN BAER: That was my next question.

MR. VARON: I don't see why it shouldn't. It would be simple for that person to leave their name and address. But I think it is important to change that language there.

Another thing, I do agree with the other people who talked about 947 not having teeth in it. I think perhaps Mr. Gardner might have been a little extreme, but I think that a person who fails to comply substantially

with this, with informing his tenant of who he is -- and we have tenants in the City of Newark who have no idea who the landlord is. They rent their apartment from a superintendent. All they know is that somebody knocks on the door at the beginning of the month and collects the rent. And they come into the office - maybe they have been locked out - and we can't even find out who the landlord is without digging. I think perhaps a person who does not substantially comply with 947 should be barred from maintainin an eviction action until they have complied.

The other thing is that I think that noncompliance should be a disorderly persons offense in order that someone could make a complaint and perhaps a landlord could be fined by a municipal court $200 or $500, for failure to register. We have that problem in inner-city areas. The landlords are just completely anonymous persons. And the bill is aimed at people who are anonymous. And to enforce the bill against people that we can't find now, we have to have teeth in the bill.

ASSEMBLYMAN BAER: Let me ask you a question about asserting this as a defense. Does that mean then that when the landlord provides to the tenant the list, that the landlord for all practical purposes is going to need to get a receipt for having provided that? Otherwise, in any eviction proceeding, the tenant will assert that this notice wasn't given to him. The landlord will say, "Yes, I did." And the court will say, "What proof do you have?" Is this going to in effect require ---

MR. VARON: I think all the landlord would be required to do -- and this is registration, I thought, with the City Clerk or something.

ASSEMBLYMAN BAER: Yes, but it is also required to be handed to the tenant.

MR. VARON: I think if the landlord had a copy of the notice given to the tenant -- all he would have to

have is a copy, saying, "to Mr. and Mrs. So-and-So, the tenant," and, if the landlord produced that in court and said, "I gave him a copy," and the tenant said, "No," the landlord in 99 per cent of the cases would be believed.

ASSEMBLYMAN HERMAN: Especially if he was required to post. If it were in a conspicuous place on the premises, he wouldn't have that problem either in court.

ASSEMBLYMAN BAER: You don't feel so strongly, so far as the personal service provision in a penalty, as long as it was covered by the posting downstairs, is that correct?

MR. VARON: I am not sure I looked at that in detail.

ASSEMBLYMAN BAER: Because you can get into all this hassle of proof.

MR. VARON: Right.

ASSEMBLYMAN BAER: Of course, the biggest problem of posting, I think, exists in relation to sprawling garden apartments.

MR. VARON: That is true. I am not that concerned. Even with that, I think it should be posted. It would be helpful if the thing in the law said each tenant has to be given a letter with all this on it. But I think the important thing is that it is in some agency, the County Clerk or someone, that is going to have all that information so that a tenant with a little more education could call that phone number and ask for it or, if they contact us, we can call up.

ASSEMBLYMAN HERMAN: Aren't we really talking about one word, "accessibility"?

MR. VARON: Right, accessibility - as long as there is some law making these people reasonably accessible. But any law we enact is going to have to have an enforcement provision against people who are just completely anonymous,

people who own some really old housing in the innercity and don't read laws themselves. There are landlords that don't speak the language either that we encounter. There are some who own larger numbers of properties who are really anonymous and operate through superintendents and agents.

ASSEMBLYMEN BAER: What do you propose as a penalty for those deliberately invisible landlords?

MR. VARON: I think it should be at least a disorderly persons offense or maybe a $500 fine or whatever the Disorderly Persons Statute calls for.

MR. STEINFELD: I would also suggest, as Mr. Varon started to explain before, failure to comply with this provision of identifying yourself and registering with the appropriate County Clerk, etc. -- if there was failure even to register with the appropriate County Clerk and the landlord was therefore barred from bringing any kind of summary proceeding action against the tenant, then the effect of that would only be to force the landlord to comply. If he wants to sue for nonpayment of rent, he has to comply. The loss to the landlord for not complying, which he is at fault for in the first place, would be maybe one or two weeks, the lead time from taking out a complaint in the County District Court to the time it is heard. Every complaint has to be heard between five and fifteen days after it has been served.

ASSEMBLYMAN BAER: In other words, what would prevent a landlord who wanted to get around this, if the main enforcement was on the basis of eviction, from not giving anybody notices as to where he was except those people he decided to evict - send them a registered letter before he starts evicting, telling them who he is, and he would have that proof for the court?

MR. VARON: That is a well-taken point and that is why you would need a secondary penalty and under no

circumstances, if he is not registered with the proper County District Court, could he proceed. Personal notice to the tenant is not sufficient.

ASSEMBLYMAN BAER: That may suggest in effect that the only effectiveness in enforcement lies with the secondary penalty.

MR. VARON: I think it should be a disorderly persons offense that could be handled by the municipal court, just as we thought the reprisal was, and we agree with Mr. Furst on that. We don't think it is a disorderly person anymore.

MR. FURST: The latest Reprisal Act repealed the disorderly person provision.

MR. VARON: That's all we are saying.

ASSEMBLYMAN BAER: Thank you.

MR. VARON: As to that registration provision, we think failure to register at least with the County Clerk is a disorderly persons offense.

ASSEMBLYMAN BAER: Anything further?

MR. VARON: If it weren't so late, we would go further, but we will put it in writing.

ASSEMBLYMAN BAER: I don't mean to cut you off, but if there are pertinent areas, will you please provide them to us in writing and we will study them.

MR. STEINFELD: To whom should we address our correspondence? What address, is what I am really asking?

ASSEMBLYMAN BAER: Probably the best address would be at the State House because then Mr. Bryan can circulate it to all members.

MR. STEINFELD: To Mr. Bryan's attention then?

ASSEMBLYMAN BAER: To the Chairman of the Committee.

MR. VARON: To the Chairman of the Committee on Commerce, Industry and Professions.

ASSEMBLYMAN BAER: No. Make it, attention of Mr. Bryan. I don't want to take a chance that it would be

just held there for my personal mail.

Are there any further questions? (No questions.)

I would just like to make a statement at the conclusion of this hearing that I feel this hearing has been extremely valuable. The testimony that has been produced is going to be enormously useful as a guide to this legislation that is before the committee and similar legislation dealing with related matters that is before me and the administration at this time.

I would like to highlight the real difference in the way these matters are being handled this year as opposed to the way they were handled in the previous session of the Legislature because I am very proud of the way that the committee and the administration are dealing with these matters. In the previous administration, all the landlord-tenant legislation, or most of it, was consolidated into a hearing that was held at the very tail-end of the legislative session when no meaningful action could be taken. And, as a matter of fact, I submitted evidence at that hearing indicating that those were the facts. We are having a hearing now at the very beginning of the first year of a two-year session and the Governor's office is cooperating very fully and very helpfully and it is developing proposals along many related lines. I feel very confidently as a result of all this cooperation, we will see really major steps forward in terms of improving landlord-tenant law and making it equitable to all parties and eliminating a lot of the archaic and obsolete and one-sided legislation which previously existed.

I want to thank all the witnesses and the members of the committee who spent their time making this possible. Thank you.

Are there any other comments? (No response.) The meeting is adjourned.

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(Hearing Concluded)

STATEMENT

BY

SIDNEY H. KOORSE, PRESIDENT

ON

ASSEMBLY BILLS 58, 232, 284, 940, 943, 946, 947, 951, 953, 954, 1048 AND 1060

BEFORE

ASSEMBLY COMMERCE, INDUSTRY AND PROFESSIONS COMMITTEE

NEWARK, N.J.

MARCH 5, 1974

I AM SIDNEY H. KOORSE, A REAL ESTATE BROKER WITH OFFICES IN JERSEY CITY, NEW JERSEY. I APPEAR TODAY AS PRESIDENT OF THE NEW JERSEY ASSOCIATION OF REALTORS, A TRADE ASSOCIATION OF REAL ESTATE LICENSEES WITH A MEMBERSHIP IN EXCESS OF 10,000.

WITHIN THE NJAR MEMBERSHIP CAN BE FOUND INDIVIDUALS WHO SPECIALIZE IN ALL PHASES OF THE REAL ESTATE INDUSTRY. FOR EXAMPLE, I AM A MEMBER OF THE INSTITUTE OF REAL ESTATE MANAGEMENT, ENTITLED TO USE THE DESIGNATION "CERTIFIED PROPERTY MANAGER". MEMBERSHIP IN THE INSTITUTE OF REAL ESTATE MANAGEMENT IS PROFESSIONAL RECOGNITION OF EXPERTISE IN THE FIELD OF REAL PROPERTY MANAGEMENT.

THE NEW JERSEY ASSOCIATION OF REALTORS APPRECIATES THE OPPORTUNITY TO BE HEARD TODAY ON THE LEGISLATION UNDER REVIEW. ALTHOUGH WE DISAGREE WITH THE APPROACHES SUGGESTED IN MANY OF THE BILLS, YOU WILL FIND NJAR SHARES THE LEGISLATURE'S CONCERN FOR IMPROVED RELATIONS BETWEEN PROPERTY OWNERS AND RESIDENTS.

AT THE OUTSET, I WOULD LIKE TO MAKE NJAR'S POSITION CLEAR IN THAT WE DO NOT FAVOR A "PIECEMEAL" APPROACH TO THE PROBLEMS OF OWNERS

AND RESIDENTS AS ADVOCATED IN THE SERIES OF BILLS LISTED FOR THE PUBLIC HEARING TODAY. NJAR URGES THE 1974-1975 NEW JERSEY LEGISLATURE TO RECONSTITUTE THE LANDLORD-TENANT STUDY COMMISSION WHICH WAS ACTIVE SEVERAL YEARS AGO. A COMPREHENSIVE REVIEW OF ALL AREAS OF MUTUAL CONCERN AND THEIR INTERRELATION TO ONE ANOTHER OFFERS A MORE REALISTIC LONG-TERM SOLUTION THAN THE PRESENT COURSE CHARTED BY THE LEGISLATURE. NJAR IS HOPEFUL THAT THE APPROACH WE HAVE RECOMMENDED WILL RECEIVE SERIOUS CONSIDERATION.

I WILL NOW PRESENT NJAR'S POSITION ON THE LEGISLATIVE BILLS ON THE AGENDA TODAY.

ASSEMBLY BILL 58

NJAR IS OPPOSED TO THIS BILL. PASSAGE OF A-58 WILL MAKE IT VIRTUALLY IMPOSSIBLE FOR A PROPERTY OWNER TO REMOVE A RESIDENT UNLESS THE TENANT FAILS TO PAY RENT OR IS DISORDERLY, DESTROYS THE PREMISES OR VIOLATES A RULE.

THE ADDITION TO SECTION 1A, LINES 11 THROUGH 19, AMOUNTS TO CONFISCATION OF PROPERTY.

A PROPERTY OWNER WHO DESIRES TO REMOVE AN UNDESIRABLE RESIDENT

BY NON-RENEWAL OF A LEASE WOULD HAVE AN IMPOSSIBLE BURDEN OF PROOF WHICH, IN MOST CASES, CANNOT BE ESTABLISHED.

ASSEMBLY BILL 58, IF PASSED INTO LAW, WILL GUARANTEE THAT NO OWNER WILL BE PERMITTED THE LEGAL OPTION OF CONVERTING THE MULTI-FAMILY TO EITHER CONDOMINIUM OR COOPERATIVE FORM OF OWNERSHIP BECAUSE OF A TENANT'S "RIGHT" TO REMAIN IN THE APARTMENT.

THIS BILL IS TOTALLY UNREALISTIC IN ITS TREATMENT OF PROPERTY OWNERS.

ASSEMBLY BILLS 232-284

NJAR HAS NO OBJECTIONS TO THESE BILLS, WHICH ARE INTENDED TO CORRECT LEGISLATIVE OVERSIGHTS IN PRIOR LEGISLATION.

ASSEMBLY BILL 940

NJAR IS OPPOSED TO THIS BILL.

WHILE THE SPONSOR'S STATEMENT ATTACHED TO THE BILL CITES THE "TRAUMATIC EXPERIENCE" OF EVICTION AND DUE NOTICE, THE REAL FACTS OF THE MATTER ARE THAT IN 99% OF THE CASES, WHERE THE COURT ISSUES WARRANT FOR POSSESSION, IT IS BECAUSE THE TENANT, AFTER DUE AND PROPER NOTICE, HAS FAILED TO PAY HIS RENT. HOW MUCH OF A SURPRISE CAN IT BE TO THE RESIDENT WHEN HE KNOWS HE DID NOT PAY THE RENT?

CURRENT PRACTICE OF THE COURT IS TO TAKE NOTE OF SPECIAL CIRCUMSTANCES WHEREBY CARRYING OUT THE EVICTION WOULD CREATE UNDUE HARDSHIP FOR THE RESIDENT.

ASSEMBLY BILL 940 WILL ONLY SERVE TO FURTHER DELAY THE SUMMARY DISPOSSESS PROCEEDING IF A TENANT DOES NOT APPEAR IN COURT. IF YOU HAVE HAD ANY EXPERIENCE IN REAL PROPERTY MANAGEMENT, YOU WILL KNOW THAT PEOPLE WILL FAIL TO APPEAR IN COURT BECAUSE THE QUESTION OF FACT IS EASY TO DEFINE--"HAVE YOU PAID YOUR RENT AND, IF NOT, CAN YOU PAY NOW?"

FURTHER DELAY AS ADVOCATED BY A-940 WILL RESULT IN ADDITIONAL RENT LOSS TO THE OWNER WHO, DESPITE POPULAR BELIEF, REQUIRES RENT MONIES TO MEET HIS OBLIGATIONS SUCH AS MORTGAGE PAYMENTS, FUEL, UTILITIES, ETC. PRESENT LAW IS ADEQUATE TO PROTECT THE PUBLIC INTEREST.

ASSEMBLY BILL 943

NJAR IS OPPOSED TO THIS BILL.

THE SPONSOR, IN ATTEMPTING TO JUSTIFY LIMITING THE AREAS WHEREIN AN OWNER MAY SEEK TO REMOVE A TENANT, HAS IMPOSED UPON THE OWNERS OF MULTI-FAMILY HOUSING UNDUE RESTRICTION AND OPENS THE DOOR TO WIDESPREAD ABUSES BY RESIDENTS WHO WISH TO CREATE A LEASE IN PERPETUITY.

THERE ARE MANY VALID REASONS WHY AN OWNER WILL NOT WISH TO RENEW A RESIDENT'S LEASE. UNDER A-943 THE OWNER WOULD BE PROHIBITED FROM DOING SO.

SECTION 2D, LINES 13 THROUGH 18, WOULD PROHIBIT THE OWNER FROM REVISING THE TERMS OF TENANCY FOR A YEAR IF HE FAILS TO RENT THE UNIT AT THE HIGHER RENT. THIS IS TOTALLY UNREALISTIC BECAUSE IT DOES NOT TAKE INTO CONSIDERATION CHANGING CONDITIONS IN THE MARKET-PLACE.

FOR EXAMPLE, IF AN OWNER OFFERS A RESIDENT A NEW LEASE AT THE SAME RENTAL AND THE RESIDENT REFUSES TO SIGN A NEW LEASE AT THE SAME MONEY AND THE OWNER MOVES FOR POSSESSION, THE OWNER, DESPITE THE FACT HE MAY HAVE OFFERED IN THE LEASE A BELOW-MARKET RENT, COULD NOT INCREASE RENT OR DECREASE THE RENT ON THE UNIT FOR A YEAR, EVEN IF IT MEANT FORCING THE UNIT TO REMAIN VACANT. THIS CONCEPT VIOLATES THE BASIC LAW OF SUPPLY AND DEMAND WHERE THE MARKETPLACE DICTATES THE RENT OF A UNIT.

ASSEMBLY BILL 943 IS POORLY COVERED AND SHOULD BE OPPOSED.

ASSEMBLY BILL 946

NJAR OPPOSES THIS BILL.

THIS BILL POSES A SERIOUS CONSTITUTIONAL QUESTION IN ITS PRESENT FORM BECAUSE IT UNREASONABLY DENIES AN OWNER THE USE AND ENJOYMENT OF HIS PROPERTY AS SPELLED OUT IN ARTICLE XIV, SECTION 1 OF THE CONSTITUTION OF THE UNITED STATES:

> "...NOR SHALL ANY STATE DEPRIVE ANY PERSON OF LIFE, LIBERTY OR PROPERTY WITHOUT DUE PROCESS OF LAW, NOR DENY TO ANY PERSON WITHIN ITS JURISDICTION THE EQUAL PROTECTION OF LAWS."

ASSEMBLY BILL 946 GOES WAY BEYOND ANY STATUTES NOW ON THE BOOKS ACROSS THE NATION IN THE FIELD OF CONDOMINIUM CONVERSIONS.

THE SPONSOR OF THE BILL, IN SECTION 1, DRAWS A CONCLUSION THAT IN NEW JERSEY THE RENTAL HOUSING SHORTAGE IS "COMPOUNDED BY THE CONVERSION OF RENTAL HOUSING TO CONDOMINIUMS AND COOPERATIVES". THIS PREMISE IS TOTALLY INACCURATE AND DOES NOT REFLECT ACTUAL FACT. NJAR URGES THE ASSEMBLY COMMERCE, INDUSTRY AND PROFESSIONS COMMITTEE TO SEEK CORROBORATIVE DATA FROM THE SPONSOR TO SUPPORT HIS CLAIM. NJAR CONTENDS HE IS NOT FACTUAL.

THE INTENT OF ASSEMBLY BILL 946 IS CLEAR. NAMELY, TO MAKE IT VIRTUALLY IMPOSSIBLE TO CONVERT RENTAL UNITS TO CONDOMINIUM OR

RULES AND REGULATIONS FOR ALL APARTMENTS

ALL THE TENANTS AND OCCUPANTS AGREE:

1. They shall not install, affix, paint on or expose any sign, notice, advertisement, illumination or projection out of the windows or on the exterior, or from the said building, or upon it in any place.

2. They shall only use such shades, window ventilators or guards in the windows of said apartment as are put up or approved by the Landlord. No awnings permitted.

3. No animal or bird shall be permitted in the herein leased apartment and the Tenant will be responsible for all damages which may be caused by such animals permitted by the Landlord in the said apartment.

4. If the Tenant desires telephone connections, the wire so introduced shall be without injury or damage to the premises and the Tenant will be responsible for any damage occasioned by the installation, use or removal of such instruments.

5. To place paper and discarded articles in incinerator closets and to wrap all garbage in paper and deposit in incinerator.

6. Not to make or permit any disturbing noises in the premises by himself, his family or friends, nor do or permit to be done anything which will interfere with the rights, comforts or conveniences of other tenants; not to play upon or suffer to be played upon any musical instruments nor to operate a radio, television or phonograph between the hours of ten o'clock in the evening and the following nine o'clock in the morning if same will disturb or annoy other tenants or occupants of the same or other units.

7. The sidewalks, halls, passages or stairs shall not be obstructed by the Tenants or their goods, or used by them for any purpose other than ingress or egress from and to their respective apartments. No items permitted in halls or at apartment entrance doors or on lawns or walks.

8. Bicycles, tricycles, baby carriages, go carts and other vehicles of like nature shall be kept in the basement or in demised premises and not left in the hall or on the sidewalk or grounds at any time.

9. The toilet rooms, waterclosets and other water apparatus shall not be used for any other purposes than those for which they were constructed, and no sweepings, rubbish, rags, ashes, ink, chemicals, garbage, refuse matter from electric batteries or other obnoxious substances, shall be thrown therein. Any damage resulting from such misuse or abuse shall be borne and paid for by the Tenant by whom, or by whose employees, such damage is caused.

10. Pianos, furniture, goods and freight shall be brought, delivered and received into said building and taken out by arrangement with the Landlord or agent in charge of said building.

11. They shall see that the windows and doors of their apartments are closed and securely fastened before leaving the premises, and will be held responsible for any damage resulting from frost, rain or other causes in violation of this rule.

12. They shall not use or keep in this building any explosives or illuminating material except electric light or candles.

13. They shall not waste or unreasonably use water.

14. They shall at all times keep the dwelling and fixtures therein in a clean and sanitary condition.

15. They shall report to the Landlord and the appropriate health authority any case of infectious or contagious disease occurring in the premises and they shall report to the Landlord the presence of insects or vermin in the premises.

16. They shall report to the Landlord at once, any accidents or injury to water pipes, toilets, drains, or fixtures, or other property of the Landlord, and all breakage, damage or loss of any kind.

17. They shall not permit their children to play in public halls, on roofs, stairways, elevators, cellars, walks, grounds or areas, except in the regular playground area that may be provided for children's use.

18. They shall not use any tacks, nails, or other fasteners, or cement in laying carpets, rugs, or linoleum on the floors.

19. They shall not place any nails, bolts, or screws in walls, floors, doors, or trim.

20. They shall not install any radio or television aerial wires of any description on or in the buildings, or hang them from windows. They shall upon termination of this lease return all keys for the apartment or pay for the same.

21. They shall permit the Landlord or its agents or employees to enter the premises at any reasonable hour for the purpose of exterminating insects or vermin, and to allow the Landlord to take all materials into the premises that may be required therefor, without the same constituting an eviction, and that the rent shall not abate while such work is being done.

22. The Landlord in all cases shall retain the right to control and prevent access into the buildings and grounds of all persons whom it considers undesirable.

23. All personal property placed in the premises or stored in trunk rooms and storage rooms and garages shall be at the risk of the Tenant or owner of such personal property and the Landlord will not be responsible for any damage or injury to or loss of such personal property from any cause.

24. The Landlord shall not be responsible for articles left with any employee.

25. The Landlord may terminate the lease of the Tenant for violation of any of the terms and conditions herein or of any of the rules and regulations prescribed by the Landlord by giving the Tenant five (5) days' prior notice in writing.

26. The Tenant will not hang or permit to be hung any article on the outside of the premises or out of the windows or make or permit to be made any disturbance or noises detrimental to the premises or to the comfort of other inhabitants of the said premises nor any act or thing which may be or grow to be an annoyance, damage and disturbance to the Landlord or any other Tenant.

27. The use of play areas by the children of the Tenant is at their own risk and the children shall at all times be under the supervision of the Tenant.

28. It is positively understood and agreed that no air conditioning units are permitted in the windows.

29. Installation of washing mahines, dryers and dishwashers is positively prohibited in the apartments. Tenant agrees herewith not to install or cause to be installed washing machines, dryers or dishwashers.

30. Children may not be permitted to destroy lawns or shrubs, dig, or in any way molest or destroy buildings or grounds.

31. No parking is permitted in any driveway. Only designated parking areas may be so used.

32. No drying of clothes or hanging of any kind is permitted anywhere on the outside.

33. No Tenant shall move into or out of any apartment without procuring a moving permit, in advance, from Landlord, regardless of the type of vehicle utilized for such move or removal.

34. Garages shall be used only for the storage of operative automobiles and for no other purpose whatever. All garage doors shall be kept closed except when in use and Tenant shall be liable for any damage caused to said garage doors if improperly left open.

35. No automobiles shall be idled in garages. Tenant shall be responsible for any damages caused to apartments or buildings by virtue of idling automobile fumes and the like.

36. Tenants occupying upper-level apartments shall be responsible for the maintenance and cleanliness of stairways and halls leading to their apartments.

37. No commercial vehicles, trucks, trailers, U-Haul trailers and the like shall be permitted upon the roads or in the parking areas. All permitted private vehicles shall be parked only in allotted parking areas and not upon any driveways or roads.

The Landlord reserves the right to make such other rules and regulations from time to time as it deems necessary for the safety, care and cleanliness of the premises and for securing the comfort and convenience of all the Tenants.

FROM

LANDLORD,

TO

TENANT.

108 A

nt No. .....

Month $..... 19.....

..... 19.....

MONROE MARKOVITZ
COUNSELLOR AT LAW
1235 MORRIS AVENUE
UNION, N. J.

AUG 14 1985