

**TOWNSHIP OF VERONA
COUNTY OF ESSEX, STATE OF NEW JERSEY**

ORDINANCE No. 2020-19

**REPEALING CHAPTER 112 "RENT CONTROL" IN ITS ENTIRETY AND
ESTABLISHING A NEW CHAPTER 112**

BE IT ORDAINED, by the Township Council of the Township of Verona, County of Essex, New Jersey as follows:

Section 1. Chapter 112, entitled, RENT CONTROL of the Code of the Township of Verona, County of Essex, New Jersey is hereby amended by read as follows:

- § 112-1. Definitions.
- § 112-2. Establishment of Rent
- § 112-3. Rental Increase
- § 112-4. Notice of Annual Rent Increase Required; Submission of Rent Rolls
- § 112-5. Approval of Rental Increase; Objections
- § 112-6. Notice of Tenant's Rights
- § 112-7. Hardship Increase
- § 112-8. Exceptions
- § 112-9. Apartment Vacated; Statement by Landlord
- § 112-10. Penalty
- § 112-21. Rent Control Board; Creation; Organization
- § 112-22. Powers of the Rent Control Board
- § 112-23. Board Secretary; Creation

ARTICLE I - RENT INCREASES

§ 112-1 DEFINITIONS.

As used in this section the following terms shall have the meanings indicated:

AVAILABLE FOR RENT TO TENANTS

Fit for habitation, as defined by the Statutes, Codes and ordinances in full force and effect in the State of New Jersey, County of Essex and Township of Verona, and occupied or unoccupied and offered for rent.

BASE RENT

The rental amount exclusive of any surcharges, supplemental or ancillary charges or fees, including but not limited to parking and/or storage.

CONSUMER PRICE INDEX (Referred to in this chapter as CPI)

The "CPI/W" for urban wage earners and clerical workers for New York and Northeastern New Jersey, of which Verona, New Jersey, is a part, as published monthly by the Bureau of Labor Statistics, United States Department of Labor.

DWELLING

Any building or other structures containing housing spaces rented or offered for rent to one (1) or more tenants or family units.

PERIODIC TENANT

A residential tenant who was previously under a lease controlled by this chapter, and subsequently continued residing in the same housing space under a new lease, whether oral or written, for periods of less than one (1) year, including but not limited to month-to-month tenancy and tenancies at will.

RENT

Total of Base Rent and Supplemental/ Ancillary Charges

SUPPLEMENTAL/ANCILLARY CHARGES

Any expenses charged by the landlord for any other services to tenant, including, but not limited to parking and/or storage.

§ 112-2 ESTABLISHMENT OF RENT

- A. All landlords shall file with the Rent Control Board no later than thirty (30) days after the effective date of this chapter and annually by January 31 of every calendar year thereafter a list of rents charged as of October 1, 2020, for any dwelling or housing space under their control. The list of rents charged shall be by building, unit number, tenant name and lease term on a form provided by the Rent Control Board.
- B. Upon the sale of, transfer of title to or the construction of dwelling or housing space to which this chapter is applicable, the new landlord shall file a copy of the rents charged for each rental unit. Such filing must be made within sixty (60) days of the closing of title.

§ 112-3 RENTAL INCREASE

Permissible rental increase. The establishment of rents between a landlord and a tenant to whom this chapter is applicable shall hereafter be determined by the following provisions:

- A. **Frequency.** No landlord shall request or receive any increase in rental payments from any tenant more often than once in any period of twelve (12) consecutive months.
- B. **Calculation of rent increases.** At the expiration of a lease or at the expiration of a periodic tenancy, such as a month-to-month tenancy, no landlord may request or receive a percentage increase in base rent which is greater than the consumer price index published for the twelve (12) month period ending on October 31, of the year preceding the calendar year in which such increase shall be effective.
- C. **Computations to be rounded off.** In computing rental increases and surcharges as provided under this chapter, all amounts so computed may be rounded off to the nearest dollar in accordance with generally accepted accounting principles.
- D. **Statement of legal rights and responsibilities of tenants and landlords of rental dwelling units.** The landlord shall provide to each tenant a copy with "Truth in Renting: a Guide to the Rights and Responsibilities of Residential Tenants and Landlords in New Jersey" issued by the New Jersey Department of Community Affairs (DCA), or other similar publications issued by the DCA, deemed necessary by the Rent Control Board.
A copy of this document is available from the NJ Department of Community Affairs, 101 South Broad Street, PO Box 805, Trenton, New Jersey 08625-0805 or at: https://www.state.nj.us/dca/divisions/codes/publications/pdf_lti/t_i_r.pdf.
- E. **Maximum rent increase.** In no event shall any rent increase exceed five percent (5%) of the previous rent in any twelve (12) month period.
- F. **Excessive or unauthorized rental increases.** Any rental increase other than the appropriate allowable increase in accordance with § 112-2 herein shall be null and void and constitute a violation of this chapter subject to the enforcement provisions of § 112-11.

§ 112-4 NOTICE OF ANNUAL RENT INCREASE REQUIRED; SUBMISSION OF RENT ROLLS

- A. Any landlord seeking an increase in rent, including the rent of a periodic tenant, shall notify the tenant by certified mail, return receipt requested or by personal service with certification of service on a form provided by the Rent Control Board, of the proposed rental increase and the proposed percentage increase, the prior year's rent, the allowable rental increase and allowable percentage increase under the provisions of this chapter at the same time notice is sent to the Rent Control Board, as recited below.
- B. Any landlord seeking an annual rent increase shall notify the Rent Control Board by certified mail, return receipt requested or by personal service with certificate of service provided by the Rent Control Board or any other method of delivery to be determined by the Rent Control Board, of all proposed rent increases on a form (herein after referred to as "Rent Rolls") to be provided by the Rent Control Board, that shall contain the building,

unit number, tenant name and lease term and the percentage increase sought. Proof that notice of such rent increase was sent to all tenants affected by such proposed increase shall be provided with the Rent Roll submission. All Rent rolls shall be submitted with an affidavit signed by the landlord that the information contained in the rent rolls is accurate. The failure to properly report all information accurately on the annual rent roll submission, as required under section 112-29(A) shall be deemed a violation of this ordinance and subject to a minimum penalty of \$250.00, if found guilty after a municipal court proceeding.

- C. No rent increase shall be approved for any landlord who has failed to comply with all of the provisions of this Chapter and with all of the provisions of *N.J.S.A. 46:8- 28 et seq.* and *N.J.S.A. 46:8-27 et seq.* Landlords shall furnish satisfactory evidence of such compliance as the Board shall prescribe.
- D. All landlords must file a statement of rent charged at the expiration of a lease or periodic tenancy if no increase is being sought pursuant to paragraphs A & B above on a form provided by the Rent Control Board.
- E. Any increase to the rent at a time other than at the expiration of a lease or termination of a periodic tenancy shall be void. Any tenant receiving such increase shall notify the Rent Control Board. Within 30 days the Rent Control Board shall schedule a hearing whereby both the landlord and tenant shall be afforded the opportunity to be heard. If proven in violation refunds shall be made within 30 calendar days in the form of a credit against future monthly rents or by a check made payable to the tenant.

§ 112-5 APPROVAL OF RENTAL INCREASE; OBJECTION

Any proposed rental increase in conformity with the provisions of this chapter shall be deemed to be approved by the Rent Control Board unless objection is filed by the tenant to the Board within thirty (30) days of notification of the proposed rental increase. If objection to the proposed rental increase is properly filed, the Board shall meet within thirty (30) days of notification in order to conduct a hearing on the proposed increase. The Secretary of the Rent Control Board shall notify the tenant and the landlord of the scheduled date for the hearing in writing so as to give ample prior notice.

§ 112-6 NOTICE OF TENANTS' RIGHTS

Every lease shall contain a provision which shall advise the tenant in a conspicuous manner of the name and address of the Rent Control Board, the maximum rent allowable, the tenant's right to object to a proposed rental increase, the tenant's right to a hearing before the Rent Control Board if objection is filed within thirty (30) days of notification of any proposed rental increase, and the tenant's right to appeal the findings of the Board to the Township Council. This notice of tenant's rights shall be given at the inception of every lease and annually in the case of renewals. In the case of a periodic tenant, the same notice of tenant's rights shall be given at the inception and at the anniversary of each tenancy pursuant to *N.J.S.A. 46:8-43 through 50*, entitled, "Truth in Renting Act". A sample notice of provisions is as follows:

1. Township of Verona has enacted Chapter 112 of the Code of the Township of Verona, entitled, "Rent Control"
2. The provisions of the ordinance are enforced by the Verona Township Rent Control Board
3. Contact information for the Verona Rent Control Board: Township of Verona, Attention Rent Control Board, 600 Bloomfield Avenue, Verona, NJ 07044
4. Any tenant under lease subject to provisions of the Rent Control ordinance reserves the right to object to any proposed rent increase within 30 days of receipt of notice of such increase
5. Objections must be filed with the Rent Control Board at the above address
6. Tenant has the right to appeal the findings of the Rent Control Board to the Township Council

§ 112-7 HARDSHIP RENT INCREASE

In the event that a landlord is not earning a just and reasonable return on his investment, he may

appeal to the Board for increased rental. The landlord must furnish the Board with a full and complete statement of all income, names of tenants, details of the apartments rented, the amount of rent, together with an operating schedule of the costs of operating and maintaining the premises, as well as all other supporting documentation which the Board may reasonably request in connection with the appeal. The Board shall make a determination as to whether a hardship exists and whether such hardship warrants an increase in rent. In any hardship application, the Board may grant a hardship rent increase if the landlord has not received rent increases which equal his increases in operating expenses in order to maintain a fair net operating income as defined in this chapter. "Net operating income" means the amount by which the annual income exceeds annual operating expenses. "Annual income" means the legal monthly, weekly or other period rent for all units in the building, both residential and commercial, on the date that the landlord's appeal is filed, together with any other income earned from the operation of the building during the period of twelve (12) consecutive months immediately preceding the date of the landlord's appeal. In any case where a rental unit is occupied in whole or in part rent free, the full rental value shall be considered the legal rent. "Annual operating expenses" means all real estate taxes and operating costs necessary to the operation and maintenance of the building but excluding depreciation, mortgage interest and amortization properly allocated to the twelve-month period immediately preceding the date on which the appeal is filed.

- B. In any hardship application, the Board shall determine the reasonableness of the landlord's figures and make adjustments accordingly. Prior to any such appeal to the Board, a landlord shall post in the lobby of each building, or if no lobby is present, in a conspicuous place in and about the premises, a notice of such appeal, setting forth the basis for such appeal. Said notice shall be posted for at least ten (10) days prior to the date fixed for hearing and appeal; and also, the landlord shall serve or cause to be served upon the tenants a notice of the appeal by certified mail, return receipt requested at least ten (10) days prior to the date fixed for hearing and appeal. The Board shall hear the appeal and, if a determination is made that a hardship does exist which warrants a rent increase, the Board shall fix the amount of said increase, which sum shall be charged to the tenants in monthly installments pro rata, based upon square footage of dwelling space occupied.

§ 112-8 EXCEPTIONS

A. Exempt from this chapter are:

1. Units where rent is determined as a factor of income.
2. In accordance with *N.J.S.A. 2A:42-84.1 et seq.*, the provisions of this chapter shall not apply to multiple dwellings constructed, as defined in the statute, after June 25, 1987 for a period of 30 years following completion of construction. This exemption only applies where a landlord complied with all requirements contained in *N.J.S.A. 2A:42-84.1 et seq.*
3. Units receiving state or federal subsidies directly to the owner and where Federal preemption from local rent control is ordered by the United States Department of Housing and Urban Development pursuant to federal law or regulation.
4. One or Two family homes or condominium units.

B. Vacancy Increase. Notwithstanding any limitations on permissible rent increases under any other provisions of this chapter, upon the voluntary un-coerced vacation of any apartment, rent increases for which are controlled in this chapter, the landlord shall have the right to fix the rent for such vacated apartment at such sums deemed appropriate subject to the following:

1. In order to qualify for a vacancy rent increase, the landlord shall first be required to file with the Rent Control Board a form provided by the Rent Control Board, which form must be signed by the vacating tenant. Said form shall contain language certifying that the landlord has not, in any way, harassed or pressured said tenant into vacating the housing unit and that the vacating of such unit was a voluntary act on the part of the tenant. Such statement shall also include the rent paid by the vacating tenant, as of the time that the unit was vacated and the date the tenant will be vacating the unit. Failure of the landlord to provide all of the terms listed within this section

will be cause for denial of any vacancy increase. For the purposes of this section a vacation caused or necessitated by substandard, unsafe or unsanitary conditions shall not be deemed a voluntary vacation. Such non-coercion certification shall not be required in order for the landlord to qualify for the vacancy decontrol increase if:

- a. The increase does not exceed the total of all permissible increases authorized by any other provisions of this chapter;
- b. The tenant has moved from the unit without notice to the landlord;
- c. The unit has been vacated pursuant to a judicially mandated eviction;
- d. The tenant has refused to sign such certification, and upon application by the landlord the Rent Control Board has found that such refusal was unwarranted and that there was in fact no coercion exerted by the landlord upon the vacating tenant.

A hearing shall only be required where tenant submits contrary documentation or there is other evidence contradicting landlord's application. The hearing shall be held before the Rent Control Board upon at least ten (10) days' notice to the public and the vacating tenant. The decontrol provision of this section shall apply only to dwelling units which are physically vacated subsequent to the effective date of this section.

§ 112-9 APARTMENT VACATED; STATEMENT BY LANDLORD

Upon the re-renting of any dwelling, after an apartment or unit is vacated, the landlord shall file a statement with the Rent Control Board certifying to the Board:

1. The unit and building numbers of such dwelling.
2. The date such dwelling became vacant.
3. The rent paid by the prior tenant.
4. The rent agreed to by the new tenant.
5. The date of any new lease.
6. A statement that all proper occupancy approvals have been obtained from the Township.

§ 112-10 PENALTY

A willful violation of any provision of this chapter including, but not limited to, the willful filing with the Rent Control Board of any material misstatement of fact, may be punishable by a fine as established in the Township Code. A violation affecting more than one (1) leasehold shall be considered a separate violation to each leasehold.

The Chairperson of the Rent Control Board, or his/her designee shall sign a summons and complaint in the Municipal Court of the Township of Verona. All violations will be heard in the Municipal Court of the Township of Verona.

ARTICLE II: RENT CONTROL BOARD

§ 112-21 RENT CONTROL BOARD; CREATION; ORGANIZATION

- A. The Verona Rent Control Board (Board) which shall consist of no less than five (5) nor more than seven (7) members appointed as hereinafter set forth.
- B. The members of the Board must be bona fide residents of the Township and shall serve without compensation except as otherwise provided by ordinance.
- C. The members of the Board shall be appointed by the Township Council, and their terms of office shall be for periods of three years each, except that the terms of these members first appointed shall be as follows:
 1. Two members shall be appointed for a term of one (1) year.
 2. Two members shall be appointed for a term of two (2) years.
 3. One member shall be appointed for a term of three (3) years.

Thereafter the successor of each member appointed by the Council shall be appointed for a term of three (3) years and until the appointment and qualification of a successor.

- A. A vacancy during the term of any member shall be filled for the unexpired portion thereof only.
- B. The Township Council may remove any regular member of the Board for cause upon written charges served upon the member and after a hearing thereon at which the members shall be entitled to be heard and represented by counsel.
- C. A member shall not be permitted to act on any matter in which he/she has either directly or indirectly any personal or financial interest.
- D. The Board shall operate under standard principles of administrative law, and shall be required to hold public meetings, give adequate notice and publicize the agenda of their meetings in accordance with the New Jersey Open Public Meetings Act.

§ 112-22 POWERS OF THE RENT CONTROL BOARD

The Rent Control Board is hereby granted, and shall have and exercise, in addition to other powers herein granted, all powers necessary and appropriate to carry out and execute the purposes of this chapter, including, but not limited to, the following:

- A. To issue and promulgate such rules and regulations as it deems necessary to implement the purposes of this chapter, and which rules and regulations shall have the force of law until revised, repealed or amended from time to time by the Board in the exercise of its discretion, providing that such rules are filed with the Township Clerk.
- B. To hold hearings as a quasi-judicial body and adjudicate applications from tenants for reduced rental as hereinafter provided.
- C. To hold hearings as a quasi-judicial body and adjudicate allegations from tenants of harassment by landlords.
- D. To hold hearings as a quasi-judicial body and adjudicate applications from landlords for increased rental as herein provided.
- E. The Board shall give both landlord and tenant reasonable opportunity to be heard before making any determination.
- F. The Township Council shall provide legal counsel to represent the Rent Control Board. Such counsel's compensation shall be determined by the Township Council.

§ 112-23 BOARD SECRETARY; CREATION

There is created the position of Secretary to the Rent Control Board to assist the Board with the administration of this chapter. The Secretary of the Board shall be appointed by the governing body, and shall serve under the direction of the Township Clerk.

SECTION 1. If any section, sub-section, paragraph, sentence or any other part of this ordinance is adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder of this ordinance.

SECTION 2. This ordinance shall take effect after final adoption and publication and otherwise as provided by law.

ATTEST:

JENNIFER KIERNAN
MUNICIPAL CLERK

NOTICE

I HEREBY CERTIFY THAT THE AFOREMENTIONED ORDINANCE WAS PUBLISHED IN THE STAR LEDGER, A NEWSPAPER PUBLISHED IN THE COUNTY OF ESSEX AND CIRCULATED IN THE TOWNSHIP OF VERONA, IN THE ISSUE OF AUGUST 14, 2020 AND XXX, 2020.

**JENNIFER KIERNAN
MUNICIPAL CLERK**

INTRODUCTION: August 10, 2020

PUBLIC HEARING: August 24, 2020

EFFECTIVE DATE: