

[Second Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 3361

STATE OF NEW JERSEY
221st LEGISLATURE

ADOPTED JUNE 13, 2024

Sponsored by:

Assemblyman DAN HUTCHISON
District 4 (Atlantic, Camden and Gloucester)
Assemblyman WILLIAM F. MOEN, JR.
District 5 (Camden and Gloucester)
Assemblywoman BARBARA MCCANN STAMATO
District 31 (Hudson)
Senator PAUL D. MORIARTY
District 4 (Atlantic, Camden and Gloucester)
Senator JOSEPH P. CRYAN
District 20 (Union)

Co-Sponsored by:

Assemblymen Simonsen, McClellan, Miller, Bailey, Assemblywoman Murphy, Assemblymen Clifton, Wimberly, Assemblywomen Quijano, Katz, Assemblyman Atkins, Assemblywomen Haider, Simmons, Hall, Lopez, Senators Henry, Timberlake, Assemblyman Stanley and Assemblywoman Ramirez

SYNOPSIS

Establishes limit on rent increase for certain dwelling sites for modular or industrialized buildings or manufactured homes.

CURRENT VERSION OF TEXT

As amended by the Senate on February 25, 2025.

(Sponsorship Updated As Of: 5/22/2025)

1 **AN ACT** concerning rent increases for certain dwelling sites for
2 modular or ²industrialized buildings or² manufactured homes and
3 supplementing chapter 27D of Title 52 of the Revised Statutes.
4

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

7

8 ²**【1.** As used in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 "Commissioner" means Commissioner of Community Affairs.

11 "Covered dwelling site" means a parcel of land within a
12 manufactured home park that is leased to the owner of a modular or
13 manufactured home for living and dwelling purposes for tenancy on
14 the site.

15 "Landlord" means a person or entity who owns or manages a
16 manufactured home park, and who rents, leases, or charges a lot fee,
17 or offers to rent, lease, or charge a lot fee, for a term of at least one
18 month, a covered dwelling site.

19 "Manufactured home park" means a parcel of land, or two or
20 more contiguous parcels of land, designed and improved such that
21 the land contains two or more sites, each of which is equipped for
22 the placement of modular or manufactured homes, and which sites
23 are under common ownership and control, other than as a
24 cooperative, for the purpose of leasing each site to the owner of a
25 modular or manufactured home for installation thereon, and where
26 the owner provides services, which may include, but shall not be
27 limited to:

28 (1) Construction and maintenance of streets;
29 (2) Lighting of streets and other common areas;
30 (3) Garbage removal;
31 (4) Snow removal; and

32 (5) Provision for the drainage of surface water from home sites
33 and common areas.

34 "Modular or manufactured home" means a building constructed
35 and intended for use as a dwelling unit that is primarily made or
36 assembled in manufacturing facilities off the building site, for the
37 installation or final assembly on the building site. "Modular or
38 manufactured home" includes, but is not limited to: modular
39 housing that is factory-built single-family and multifamily housing,
40 including closed wall panelized housing, and other modular
41 residential buildings. "Modular or manufactured home" also
42 includes, but is not limited to, a pre-manufactured home and a
43 mobile home.

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】 in the above bill is
not enacted and is intended to be omitted in the law.**

Matter underlined **thus is new matter.**

Matter enclosed in superscript numerals has been adopted as follows:

¹**Assembly floor amendments adopted September 26, 2024.**

²**Senate floor amendments adopted February 25, 2025.**

1 "Rent" means the amount currently payable by the tenant to the
2 landlord pursuant to a lease or other agreement, without regard to
3 any modification thereof by any authorized board or agency, or any
4 court. "Rent" shall include lot fees, including license fees, charged
5 by a landlord to a tenant, in addition to tax surcharge costs passed
6 on to the tenant, and any other special expenses.

7 "Tenancy" means the lawful occupation of a covered dwelling
8 site, and which includes a lease or sublease, oral or written.

9 "Tenant" means a person who leases, rents, or pays a lot fee for a
10 covered dwelling site.]²

11
12 ²[2. a. Except as provided in subsections c. and g. of this
13 section, a landlord shall not, over the course of a 12-month period,
14 increase the rent on a covered dwelling site by more than ¹[two]
15 three¹ percent over the rent charged during the prior 12-month
16 period.

17 b. A tenant of a covered dwelling site shall not enter into a
18 sublease that results in a rental rate for the covered dwelling site
19 that exceeds the allowable rate authorized by subsection a. of this
20 section. Nothing in this subsection shall be construed to authorize a
21 tenant to sublet or assign the tenant's interest where otherwise
22 prohibited.

23 c. A landlord may, notwithstanding subsection a. of this section,
24 establish the initial rate for a new tenancy in which no tenant from
25 the prior tenancy remains in lawful possession of the covered
26 dwelling site. Subsection a. of this section shall only apply to
27 subsequent increases after that initial rate has been established with
28 respect to the new tenancy.

29 d. Except as allowed following a petition to the commissioner
30 pursuant to subsection g. of this section, if the landlord of a covered
31 dwelling site requests or accepts an increase in rent exceeding the
32 amount permitted pursuant to subsection a. of this section ¹[.] :

33 (1)¹ the applicable rent for the duration of the present lease or
34 agreement term, or subsequent lease or agreement term if the
35 present term is month-to-month, shall be the rent for the rental term
36 preceding the rent increase in violation of this section ¹; and

37 (2) the landlord shall be liable for a penalty of \$1,000 per
38 violation per unit. The penalty shall be collected and enforced by
39 summary proceedings pursuant to the "Penalty Enforcement Law of
40 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The Superior Court,
41 Law Division, Special Civil Part in the county in which the
42 residential rental property is located shall have jurisdiction over the
43 proceedings described pursuant to this paragraph. Process shall be
44 in the nature of a summons or warrant, and shall issue upon the
45 complaint of the Commissioner of Community Affairs or the
46 Attorney General¹.

1 e. This section shall function in addition to, and not in place of,
2 the existing prohibition on unconscionable rent increases pursuant
3 to subsection f. of section 2 of P.L.1974, c.49 (C.2A:18-61.1). A
4 tenant may assert a violation of this section as a defense to an
5 eviction action as an unconscionable rent increase.

6 f. (1) A tenant shall have the right to petition a court of
7 competent jurisdiction to terminate a lease or agreement containing
8 a provision in violation of P.L. , c. (C.) (pending before the
9 Legislature as this bill), and shall be permitted to recover
10 reasonable attorney's fees or expenses.

11 (2) A landlord who violates P.L. , c. (C.) (pending
12 before the Legislature as this bill) shall also, at the discretion of the
13 tenant, be subject to a separate cause of action by the tenant in the
14 Superior Court, Law Division, Special Civil Part in the county in
15 which the covered dwelling site is located. A tenant may recover
16 \$500 from the landlord for a first offense, and \$1,000 from the
17 landlord for a second and any subsequent offense, in addition to
18 reasonable attorney's fees or expenses.

19 (3) A landlord shall be subject to the penalties set forth in this
20 subsection for each violation against each tenant, which may be
21 brought pursuant to paragraph (2) of this subsection at the tenant's
22 discretion.

23 g. (1) ¹(a)¹ A landlord may petition the Commissioner of
24 Community Affairs to request approval to increase the rent on a
25 covered dwelling site ¹:

26 (i)¹ by demonstrating that the present rental income and
27 additional charges from the manufactured home park on which the
28 landlord seeks relief, are insufficient to cover the costs of tax
29 increases, assessments, or maintenance to the manufactured home
30 park ¹; or

31 (ii) by submitting proof or documentation of capital
32 improvements to the property, which require the increase in rent¹ .

33 ¹(b)¹ The commissioner may, after a hearing, grant the landlord
34 a rent increase sufficient to meet the landlord's requirements or
35 needs after consideration of ¹, for approval sought pursuant to sub-
36 subparagraph (ii) of subparagraph (a) of this paragraph,¹ the proofs
37 ¹or documentation¹ presented, ¹or, for approval sought pursuant to
38 sub subparagraph (i) of subparagraph (a) of this paragraph, the
39 proofs presented,¹ the physical condition of the manufactured home
40 park, the landlord's profitability with and without the proposed rent
41 increase, the arguments presented by affected tenants, and the
42 relative bargaining position of the parties ¹. The commissioner
43 shall schedule a hearing and make a final determination on a
44 petition pursuant to this paragraph within 90 days of the petition's
45 submission to the commissioner¹.

46 (2) A landlord that seeks to file, or files, a petition pursuant to
47 paragraph (1) of this section, shall:

1 (a) prior to filing the petition, post notice of the petition setting
2 forth the basis for the petition in a conspicuous place in and about
3 the manufactured home park;

4 (b) prior to filing the petition, serve each affected tenant
5 personally, or by certified mail, with the petition to be filed with the
6 commissioner;

7 (c) notify each affected tenant personally, or by certified mail,
8 of the hearing date set by the commissioner; and

9 (d) post notice of the hearing in a conspicuous place in the
10 manufactured home park for at least 10 days prior to the date set for
11 the hearing.¹²

12

13 ²¹3. The provisions of P.L. , c. (C.) (pending before
14 the Legislature as this bill) shall not preempt an ordinance, rule, or
15 regulation, or other law regarding rent control, rent leveling, or rent
16 stabilization adopted by the governing body of a municipality that
17 would result in a lower permitted rent increase on a covered
18 dwelling unit over the course of a 12-month period. The provisions
19 of P.L. , c. (C.) (pending before the Legislature as this bill)
20 shall preempt an ordinance, rule, regulation, or other law regarding
21 rent control, rent leveling, or rent stabilization adopted by the
22 governing body of a municipality that would otherwise allow for a
23 higher permitted rent increase on a covered dwelling unit over the
24 course of a 12-month period.¹²

25

26 ²1. As used in P.L. , c. (C.) (pending before the
27 Legislature as this bill):

28 "Commissioner" means Commissioner of Community Affairs.

29 "Covered dwelling site" means a parcel of land within a
30 manufactured home park that is leased to the owner of a modular or
31 industrialized building, or a manufactured home for living and
32 dwelling purposes for tenancy on the site.

33 "Industrialized or modular building" means any building of closed
34 construction, including, but not limited to, modular housing that is
35 factory-built single-family and multi-family housing, including closed-
36 wall, panelized housing, as well as other modular, nonresidential
37 buildings. "Industrialized or modular building" shall not include any
38 structure subject to the requirements of the National Manufactured
39 Home Construction and Safety Standards Act of 1974 (42. U.S.C.
40 s.5401 et seq.).

41 "Landlord" means a person or entity who owns or manages a
42 manufactured home park, and who rents, leases, or charges a lot fee, or
43 offers to rent, lease, or charge a lot fee, for a term of at least one
44 month, a covered dwelling site.

45 "Manufactured home" means a structure for which the
46 manufacturer has filed a certification required by the Secretary of the
47 United States Department of Housing and Urban Development

1 pursuant to 42 U.S.C. s.5415 and which complies with the federal
2 standards established pursuant to the National Manufactured Home
3 Construction and Safety Standards Act of 1974 (42. U.S.C. s.5401 et
4 seq.).

5 "Manufactured home park" means a parcel of land, or two or more
6 contiguous parcels of land, designed and improved such that the land
7 contains two or more sites, each of which is equipped for the
8 placement of modular or industrialized buildings or manufactured
9 homes, and which sites are under common ownership and control,
10 other than as a cooperative, for the purpose of leasing each site to the
11 owner of a modular or industrialized building or a manufactured home
12 for installation thereon, and where the owner provides services, which
13 may include, but shall not be limited to:

- 14 (1) Construction and maintenance of streets;
- 15 (2) Lighting of streets and other common areas;
- 16 (3) Garbage removal;
- 17 (4) Snow removal; and
- 18 (5) Provision for the drainage of surface water from home sites
19 and common areas.

20 "Rent" means the amount currently payable by the tenant to the
21 landlord pursuant to a lease or other agreement, without regard to any
22 modification thereof by any authorized board or agency, or any court.
23 "Rent" shall include lot fees, including license fees, charged by a
24 landlord to a tenant, in addition to tax surcharge costs passed on to the
25 tenant, and any other special expenses.

26 "Tenancy" means the lawful occupation of a covered dwelling site,
27 and which includes a lease or sublease, oral or written.

28 "Tenant" means a person who leases, rents, or pays a lot fee for a
29 covered dwelling site.²

30

31 ²2. a. Except as provided in subsections c. and g. of this section, a
32 landlord shall not, over the course of a 12-month period, increase the
33 rent on a covered dwelling site by more than three percent over the
34 rent charged during the prior 12-month period.

35 b. A tenant of a covered dwelling site shall not enter into a
36 sublease that results in a rental rate for the covered dwelling site that
37 exceeds the allowable rate authorized by subsection a. of this section.
38 Nothing in this subsection shall be construed to authorize a tenant to
39 sublet or assign the tenant's interest where otherwise prohibited.

40 c. A landlord may, notwithstanding subsection a. of this section,
41 establish the initial rate for a new tenancy in which no tenant from the
42 prior tenancy remains in lawful possession of the covered dwelling
43 site. Subsection a. of this section shall only apply to subsequent
44 increases after that initial rate has been established with respect to the
45 new tenancy.

46 d. Except as allowed following a petition to the commissioner
47 pursuant to subsection g. of this section, if the landlord of a covered

1 dwelling site requests or accepts an increase in rent exceeding the
2 amount permitted pursuant to subsection a. of this section:

3 (1) the applicable rent for the duration of the present lease or
4 agreement term, or subsequent lease or agreement term if the present
5 term is month-to-month, shall be the rent for the rental term preceding
6 the rent increase in violation of this section; and

7 (2) the landlord shall be liable for a penalty of \$1,000 per violation
8 per unit. The penalty shall be collected and enforced by summary
9 proceedings pursuant to the "Penalty Enforcement Law of 1999,"
10 P.L.1999, c.274 (C.2A:58-10 et seq.). The Superior Court, Law
11 Division, Special Civil Part in the county in which the residential
12 rental property is located shall have jurisdiction over the proceedings
13 described pursuant to this paragraph. Process shall be in the nature of
14 a summons or warrant, and shall issue upon the complaint of the
15 Commissioner of Community Affairs or the Attorney General.

16 e. This section shall function in addition to, and not in place of,
17 the existing prohibition on unconscionable rent increases pursuant to
18 subsection f. of section 2 of P.L.1974, c.49 (C.2A:18-61.1). A tenant
19 may assert a violation of this section as a defense to an eviction action
20 as an unconscionable rent increase.

21 f. (1) A tenant shall have the right to petition a court of competent
22 jurisdiction to terminate a lease or agreement containing a provision in
23 violation of P.L. , c. (C.) (pending before the Legislature as
24 this bill), and shall be permitted to recover reasonable attorney's fees
25 or expenses.

26 (2) A landlord who violates P.L. , c. (C.) (pending before
27 the Legislature as this bill) shall also, at the discretion of the tenant, be
28 subject to a separate cause of action by the tenant in the Superior
29 Court, Law Division, Special Civil Part in the county in which the
30 covered dwelling site is located. A tenant may recover \$500 from the
31 landlord for a first offense, and \$1,000 from the landlord for a second
32 and any subsequent offense, in addition to reasonable attorney's fees
33 or expenses.

34 (3) A landlord shall be subject to the penalties set forth in this
35 subsection for each violation against each tenant, which may be
36 brought pursuant to paragraph (2) of this subsection at the tenant's
37 discretion.

38 g. (1) (a) A landlord may petition the commissioner to request
39 approval to increase the rent, in an amount specified by the landlord,
40 on a covered dwelling site in excess of three percent:

41 (i) by demonstrating that the present rental income and additional
42 charges from the manufactured home park on which the landlord seeks
43 relief, are insufficient to cover unanticipated increases in the costs of:
44 the abatement of hazardous conditions, taxes, assessments,
45 maintenance to the manufactured home park, utilities, insurance, and
46 management of the manufactured home park; or

47 (ii) by submitting proof or documentation of capital improvements
48 to the property, which require the increase in rent.

1 (b) In determining whether to grant a landlord's petition pursuant
2 to this subsection, there shall be a rebuttable presumption that the rent
3 increase is reasonable and not unconscionable. If the tenant offers
4 evidence sufficient to overcome the rebuttable presumption, the
5 commissioner may, after a hearing, grant the landlord a rent increase
6 sufficient to meet the landlord's requirements or needs after
7 consideration of either the proofs or documentation presented, for
8 approval of a petition submitted pursuant to sub subparagraph (ii) of
9 subparagraph (a) of this paragraph, or the proofs presented, the
10 physical condition of the manufactured home park, the landlord's
11 profitability with and without the proposed rent increase, the
12 arguments presented by affected tenants, and the relative bargaining
13 position of the parties, for approval of a petition seeking relief
14 pursuant to sub subparagraph (i) of subparagraph (a) of this paragraph.
15 The commissioner shall schedule a hearing and make a final
16 determination on a petition pursuant to this paragraph within 90 days
17 after the landlord submits the petition to the commissioner. If the
18 commissioner fails to act within 90 days after the landlord submits the
19 petition, the rent increase on a covered dwelling site shall be deemed
20 approved, provided the rent increase otherwise complies with the
21 provisions of this subsection.

22 (2) A landlord that seeks to file, or files, a petition pursuant to
23 paragraph (1) of this subsection, shall:

24 (a) prior to filing the petition, post notice of the petition setting
25 forth the basis for the petition in a conspicuous place in and about the
26 manufactured home park;

27 (b) prior to filing the petition, serve each affected tenant
28 personally, or by certified mail, with the petition to be filed with the
29 commissioner;

30 (c) notify each affected tenant personally, or by certified mail, of
31 the hearing date set by the commissioner; and

32 (d) post notice of the hearing in a conspicuous place in the
33 manufactured home park for at least 10 days prior to the date set for
34 the hearing.²

35

36 ²3. a. The provisions of P.L. , c. (C.) (pending before the
37 Legislature as this bill) shall not preempt an ordinance, rule, or
38 regulation, or other law regarding rent control, rent leveling, or rent
39 stabilization adopted by the governing body of a municipality that:

40 (1) provides a fixed, numerical municipal rent increase limit that is
41 not based upon, in whole or in part, the Consumer Price Index, or other
42 variable criteria;

43 (2) was adopted in a municipality that provides and utilizes a rent
44 leveling board or similar municipal agency charged with regulating
45 rents; and

46 (3) provides a rent increase limit on a covered dwelling site that is
47 less than or equal to three percent over the course of a 12-month
48 period, regardless of whether:

1 (a) a determination, made by a rent leveling board or similar
2 municipal agency charged with regulating rents, authorizes an
3 exemption from the municipal rent increase limit, resulting in a rent
4 increase on a covered dwelling site that is greater than three percent
5 over the course of a 12-month period; or

6 (b) the municipal rent increase limit permits one or more
7 exceptions, which are not based upon, in whole or in part, the
8 Consumer Price Index or other variable criteria.

9 b. Except as provided in subsection a. of this section, the
10 provisions of P.L. , c. (C.) (pending before the Legislature as
11 this bill) shall preempt an ordinance, rule, regulation, or other law
12 regarding rent control, rent leveling, or rent stabilization adopted by
13 the governing body of a municipality that:

14 (1) provides a rent increase limit on a covered dwelling site that is
15 greater than three percent over the course of a 12-month period;

16 (2) does not provide a fixed, numerical municipal rent increase
17 limit, and instead is based upon, in whole or in part, the Consumer
18 Price Index, or other variable criteria; or

19 (3) was adopted in a municipality that does not provide or utilize a
20 rent leveling board or similar municipal agency charged with
21 regulating rents.

22 c. If an ordinance, rule, regulation, or other law regarding rent
23 control, rent leveling, or rent stabilization adopted by the governing
24 body of a municipality is preempted pursuant to subsection b. of this
25 section due to the failure of the municipality, in which such a
26 municipal law was adopted, to provide or utilize a rent leveling board
27 or similar municipal agency charged with regulating rents pursuant to
28 paragraph (3) of subsection b. of this section, P.L. , c. (C.)
29 (pending before the Legislature as this bill) shall not preempt the fixed,
30 numerical municipal rent increase limit provided in the ordinance,
31 rule, regulation, or other law regarding rent control, rent leveling, or
32 rent stabilization, but shall otherwise preempt such a municipal law.²

33

34 ¹【3.】 4.¹ The commissioner shall, in accordance with the
35 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
36 seq.), adopt rules and regulations as necessary to implement the
37 provisions of P.L. , c. (C.) (pending before the Legislature
38 as this bill).

39

40 ¹【4.】 5.¹ This act shall take effect on the first day of the third
41 month next following the date of enactment, except that the
42 commissioner may take anticipatory action necessary to implement
43 the provisions of P.L. , c. (C.) (pending before the
44 Legislature as this bill). This act shall apply to tenancies
45 commencing on or after the effective date of P.L. , c. (C.)
46 (pending before the Legislature as this bill).