NJ Rent Control

http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=26425891&Depth=2&TD=WRAP&advquery=rent%20control&depth=4&expandheadings=on&headingswithhits=on&hitsperheading=on&infobase=statutes.nfo&rank=&record={923}&softpage=Document42&wordsaroundhits=2&zz=

2A:42-84.5. Exemptions from rent control , leveling, stabilization; legislative intent

5. a. It is the intent of P.L.1987, c.153 (C.2A:42-84.1 et seq.), that the exemption from **rent control** or **rent** leveling ordinances afforded under P.L.1987, c.153 (C.2A:42-84.1 et seq.) shall apply to any form of **rent control** , **rent** leveling or **rent** stabilization, whether adopted now or in the future, and by whatever name or title adopted, which would limit in any manner the periodic or regular increases in base rentals of dwelling units of multiple dwellings constructed after the effective date of P.L.1987, c.153 (C.2A:42-84.1 et seq.). No municipality, county or other political subdivision of the State, or agency or instrumentality thereof, shall adopt any ordinance, resolution, or rule or regulation, or take any other action, to limit, diminish, alter or impair any exemption afforded pursuant to P.L.1987, c.153 (C.2A:42-84.1 et seq.).

b. The Legislature deems it to be necessary for the public welfare to increase the supply of newly constructed rental housing to meet the need for such housing in New Jersey. In an effort to promote this new construction, the Legislature enacted P.L.1987, c.153 (C.2A:42-84.1 et seq.), the purpose of which was to exempt new construction of rental multiple dwelling units from municipal **rent control** so that the municipal **rent control** or **rent** leveling ordinances would not deter the new construction. Although this legislation was initially made effective only for a temporary five-year period, it was expanded for a second five-year period by P.L.1992, c.206 until 1997, and then in that year made permanent by P.L.1997, c.56. At the time P.L.1987, c.153 (C.2A:42-84.1 et seq.) was introduced, the uniform method of financing construction of new apartments was through project-based mortgage loans. There was little, if any, new construction financed in any other way. Recently, however, there has been increased utilization of Real Estate Investment Trusts (REITs) and other public companies which could potentially be an important new source of construction of rental housing in New Jersey. These entities generally do not utilize project-based mortgages but instead obtain comprehensive financing not secured by individual mortgages as a more efficient and lower cost means of financing new construction. There has been confusion as to whether new construction undertaken by REITs and other such entities would be exempted from municipal **rent control** under the terms of section 2 of P.L.1987, c.153 (C.2A:42-84.2) when there is no initial mortgage financing. To eliminate any confusion and to facilitate the construction of new rental units for which there is no initial mortgage financing, section 1 of P.L.1999, c.291 amends section 2 of P.L.1987, c.153 (C.2A:42-84.2) to add a subsection b. to that section in order to clarify the Legislature's intent of providing an exemption from municipal **rent control** ordinances, except those adopted under the authority of P.L.1966, c.168 (C.2A:42-74 et seq.), by specifying that the period of time for exemption from **rent control** in such instances shall be 30 years following completion of construction.

L.1987,c.153,s.5; amended 1999, c.291, s.2.