

ORDINANCE NO. 2022-27

TOWNSHIP OF HOLMDEL

COUNTY OF MONMOUTH

**ORDINANCE ADDRESSING STATE LAW MANDATES REGARDING
CERTIFICATES OF INSURANCE AND RELATED ADMINISTRATIVE
FEES PURSUANT TO P.L. 2022, c. 92**

WHEREAS, on August 5, 2022, Governor Murphy signed into law P.L. 2022, c. 92, An Act requiring liability insurance for business owners and rental unit owners and supplementing Title 40A of the New Jersey Statutes (“the Act”); and

WHEREAS, the Act generally imposes insurance requirements upon business owners and the owners of multifamily homes, and it requires municipalities to be responsible for registrations pursuant to same; and

WHEREAS, to this end, section 1.a. of the Act requires the owner of a business or the owner of a rental unit or units to maintain liability insurance for negligent acts or omissions in an amount of no less than \$500,000 for combined property damage and bodily injury to or death of one or more persons in any one accident or occurrence; and

WHEREAS, section 1.b. of the Act requires the owner of a multifamily home which is four or fewer units, one of which is owner-occupied, shall maintain liability insurance for negligent acts and omissions in an amount of no less than \$300,000 for combined property damage and bodily injury to or death of one or more persons in any one accident or occurrence; and

WHEREAS, section 2.a. of the Act requires that the owner of a business, owner of a rental unit or units, and the owner of a multi-family home of four or fewer units, one of which is owner occupied, shall annually register the certificate of insurance demonstrating compliance with section 1 of the act with the municipality in which the business, rental units, or multi-family home is located; and

WHEREAS, pursuant to the Act, the governing body of a municipality may, by ordinance, establish a reasonable administrative fee for the certificates of registration that are required under the Act, and it may further enforce finds for violations of the Act; and

WHEREAS, to the extent the Township of Holmdel is statutorily required to maintain a registration system under the Act, the Township Committee seeks to codify these mandatory provisions in State law, while establishing reasonable fees to ensure that the Township receives necessary revenue to offset the costs of administering same; and

WHEREAS, the foregoing provisions shall only be effective so long as the registration requirement exists under State law, and this ordinance shall automatically be repealed if the registration mandate contained in State law is repealed.

NOW, THEREFORE, BE IT ORDAINED by the Township Committee of the Township of Holmdel in the County of Monmouth, State of New Jersey, as follows:

SECTION 1. Chapter 4 of the Revised General Ordinances, titled “General Licensing” is hereby amended as follows:

Chapter 4 General Licensing

§ 4-11 Insurance Requirements for Business Owners

a. Requirement to Carry Insurance

1. The owner of a business located within the Township of Holmdel shall maintain liability insurance for negligent acts or omissions in an amount of no less than \$500,000 for combined property damage and bodily injury to or death of one or more persons in any one accident or occurrence.

b. Registration of Certificate of Insurance; Certificate of Registration

1. Prior to January 1 of each calendar year, the owner of a business located within the Township of Holmdel shall file a certificate of insurance demonstrating the level of coverage as required in subsection a. of this section, along with payment of the fee required in subsection c. of this section.
2. The submissions required under subsection b.1 shall be filed with the Township’s Bureau of Fire Prevention or other designated office.
3. Upon filing of the required documents under subsection b.1, the Township shall issue a Certificate of Registration to the business owner.

c. Fees

The fee for the issuance of a Certificate of Registration pursuant to this section shall be \$50 per year.

d. Penalty for Non-Compliance; Fines

1. If a business owner fails to file the required certificate of insurance with the Township of Holmdel and/or pay the corresponding fee as required in subsection b.1 within ten (10) days of any applicable deadline, the Township may bring an action to impose a penalty pursuant to N.J.S.A. 2A:58-10 *et seq.* (the “Penalty Enforcement Law of 1999”).

2. Any fine imposed pursuant to subsection d.1. shall not be less than \$500 and shall not exceed \$5,000.

e. Intent and Repealer.

1. The provisions of this Section 4-11 are intended to codify and implement the provisions of P.L. 2022, c. 92 to the extent required for the Township to manage and charge an appropriate fee for the registration requirements imposed by State law.
2. In the event that the provisions of P.L. 2022, c. 92 are repealed or modified to the extent that the Township is no longer required to accept registrations of certificates of insurance from businesses, the provisions of Section 4-11 shall immediately be deemed repealed and inoperable.

SECTION 2. Chapter 20 of the Revised General Ordinances, titled “Residential and Commercial Property Inspections, Landlord Registrations, Numbering of Buildings,” is hereby renamed as “Residential and Commercial Property Regulations” and supplemented as follows:

Chapter 20 Residential and Commercial Property Regulations ~~Inspections, Landlord Registrations, Numbering of Buildings~~

§ 20-6.1 Insurance Requirements for Owners of a Rental Unit or Units and Owners of Multi-Family Homes of Four or Fewer Units, One of Which is Owner Occupied

a. Requirement to Carry Insurance

1. The owner of a rental unit or units located within the Township of Holmdel shall maintain liability insurance for negligent acts or omissions in an amount of no less than \$500,000 for combined property damage and bodily injury to or death of one or more persons in any one accident or occurrence.
2. The owner of a multi-family home of four or fewer units, one of which is owner occupied, located within the Township of Holmdel shall maintain liability insurance for negligent acts and omissions in an amount of no less than \$300,000 for combined property damage and bodily injury to or death of one or more persons in any one accident or occurrence.

b. Registration of Certificate of Insurance; Certificate of Registration

1. Prior to January 1 of each calendar year, the owner of a rental unit or units or the owner of a multi-family home of four or fewer units, one of which is owner occupied, shall file a certificate of insurance demonstrating the level of

coverage as required in subsection a. of this section along with payment of the fee required in subsection c. of this section.

2. The submissions required under subsection b.1 shall be filed with the Township's Bureau of Fire Prevention or other designated office.
3. Upon filing of the required documents under subsection b.1, the Township shall issue a Certificate of Registration to the owner of a rental unit or units or the owner of a multi-family home of four or fewer units, one of which is owner occupied.

c. Fees

The fee for the issuance of a Certificate of Registration pursuant to this section shall be \$50 per year.

d. Penalty for Non-Compliance; Fines

1. If the owner of a rental unit or units or the owner of a multi-family home of four or fewer units, one of which is owner occupied, fails to file the required certificate of insurance with the Township of Holmdel and/or pay the corresponding fee as required in subsection b.1 within ten (10) days of any applicable deadline, the municipality may bring an action to impose a penalty pursuant to N.J.S.A. 2A:58-10 *et seq.* (the "Penalty Enforcement Law of 1999").
2. Any fine imposed pursuant to subsection d.1. shall not be less than \$500 and shall not exceed \$5,000.

e. Intent and Repealer.

1. The provisions of this Section 20-6.1 are intended to codify and implement the provisions of P.L. 2022, c. 92 to the extent required for the Township to manage and charge an appropriate fee for the registration requirements imposed by State law.
2. In the event that the provisions of P.L. 2022, c. 92 are repealed or modified to the extent that the Township is no longer required to accept registrations of certificates of insurance from the owners of rental units or multi-family homes of four or fewer units, one of which is owner occupied, the provisions of Section 20-6.1 shall immediately be deemed repealed and inoperable.

SECTION 3. Severability.

The provisions of this Ordinance shall be severable. In the event that any portion of this Ordinance is found to be invalid for any reason by any Court of competent jurisdiction, such

judgment shall be limited in its effect only to the portion of the Ordinance actually adjudged invalid and shall not be deemed to affect the operation of any other portion thereof, which shall remain in full force and effect.

SECTION 4. Repealer.

All ordinances and resolutions, and parts of ordinances and resolutions which are inconsistent with provisions of this ordinance shall be, and are hereby, repealed to the extent of any such inconsistency.

SECTION 5. Effective Date.

This ordinance shall take effect upon final adoption and publication in accordance with law, except that its provisions shall not be operable until November 3, 2022, which is the effective date of the relevant provisions of P.L. 2022, c. 92. Notwithstanding the foregoing, the Township Administrator and staff are authorized and directed to take anticipatory steps to implement this ordinance upon final adoption and publication.

LEGAL NOTICE

Publication by Summary Pursuant to N.J.S.A.40:49-2

This Ordinance addresses State law mandates regarding certificates of insurance and related administrative fees pursuant to P.L. 2022, c. 92.

NOTICE IS HEREBY GIVEN that the foregoing ordinance was introduced and passed by the Township Committee on first reading at a meeting of the Township Committee of the Township of Holmdel held on September 13, 2022. It is scheduled to be considered for second reading and final passage at a regular meeting of the Township Committee to be held on September 27, 2022 at 7:30 PM, at which time persons desiring to be heard upon the same will be given the opportunity to be so heard. The meeting is scheduled to take place at the Holmdel Municipal Building located at 4 Crawfords Corner Road, Holmdel, New Jersey. Notwithstanding the foregoing, the Township of Holmdel reserves the right to conduct this meeting on an electronic basis, pursuant to P.L. 2021, c. 11, in which case login information will be provided at www.holmdeltownship.com and the public hearing will be conducted electronically while affording full public participation.

Gregory Buontempo, Mayor

Attest:
Wendy L Patrovich, RMC/CMR
Township Clerk