

**COMMUNITY AFFAIRS**

**DIVISION OF CODES AND STANDARDS**

**Rooming and Boarding Houses**

**Licenses**

**Proposed Amendment: N.J.A.C. 5:27-1.6**

Authorized By: Richard E. Constable, III, Commissioner, Department of Community Affairs.

Authority: N.J.S.A. 55:13B-4 and 7.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2014-070.

Submit written comments by August 1, 2014, to:

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The agency proposal follows:

**Summary**

The proposed amendment would revise the fees for the enforcement of the Rooming and Boarding House Act of 1979 that are authorized by P.L. 2007, c. 339. The fees are increased 11 percent and then rounded up to the next whole dollar. This modest increase would ensure that the Department of Community Affairs (Department) is able to fulfill its responsibilities to ensure

that rooming and boarding houses are able to serve many of the most vulnerable members of our society.

As the Department has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

### **Social Impact**

Effective enforcement of the Rooming and Boarding House Act of 1979 and the implementing rules is necessary in order to protect persons who reside in rooming and boarding houses. Residents of rooming and boarding houses include many of the most vulnerable members of our society. The program is fee-supported and maintaining the fees at a level where they are sufficient to support the program would provide assurance of the continuing ability of the Department to provide protection to the residents.

### **Economic Impact**

The proposed amendment would increase fees as authorized by P.L. 2007, c. 339. The program is fee-supported and maintaining the fees at a level where they are sufficient to support the program would provide assurance of the continuing ability of the Department to fulfill its statutory charge. The costs of supporting the program are no longer covered by the amounts raised under the existing fee cap. It is estimated that the increased fees would result in an increase in program revenue of about \$61,000. There are presently 1,340 rooming and boarding houses in the State that have been issued licenses by the Bureau of Rooming and Boarding House Standards. The existing licensing fees currently generate about \$557,000 in revenue. After the proposed increase, the fees would generate about \$618,000 in revenue. The increase in

revenues would enable the Department to decrease the gap between the revenues raised and expenditures necessary to enforce the Rooming and Boarding House Act of 1979, from \$681,000 to approximately \$620,000.

### **Federal Standards Statement**

No Federal standards analysis is required because the proposed amendment is not being proposed under the authority of, or in order to implement, comply with, or participate in any program established under Federal law or a State statute that incorporates or refers to Federal law, standards, or requirements.

### **Jobs Impact**

The Department does not expect the proposed amendment to result in either the loss or creation of any jobs.

### **Agriculture Industry Impact**

The Department does not anticipate that the proposed amendment would have any effect on the agricultural industry.

### **Regulatory Flexibility Analysis**

The great majority of rooming and boarding houses are owned by "small businesses," as defined in the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. While there is some variation in fees depending on the size of a facility, as measured by the number of residents, and the maximum fee is automatic for corporations, partnerships, and associations,

which are likely to include all entities that are not “small businesses,” there is no basis for any further differential in fees to benefit “small businesses.” All licensees, regardless of size or form of organization, must pay a proportionate share of the increase that has occurred over time in the cost of the effective code enforcement that is necessary in order to protect the health, safety, and welfare of rooming and boarding house residents. No new recordkeeping or recording requirements would be imposed, and no professional services that would not otherwise be required by a properly operated rooming or boarding house business would be required, as a result of adoption of the proposed amendment. The only compliance requirement would be the payment of higher fees for owner and operator licenses.

### **Housing Affordability Impact Analysis**

The proposed amendment will have an insignificant impact on affordable housing in New Jersey and there is an extreme unlikelihood that the rule would evoke a change in the average costs associated with housing because the amendment pertains to a modest increase in fees for the enforcement of the Rooming and Boarding House Act of 1979.

### **Smart Growth Development Impact Analysis**

The Department does not anticipate that adoption of the proposed amendment would have any effect upon achievement of smart growth and there is an extreme unlikelihood that the rule would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey because the amendment pertains to a modest increase in fees for the enforcement of the Rooming and Boarding House Act of 1979.

**Full text** of the proposal follows (additions shown in boldface **thus**; deletions shown in brackets [thus]):

## SUBCHAPTER 1. ADMINISTRATION AND ENFORCEMENT

### 5:27-1.6 Licenses

(a)-(b) (No change.)

(c) The annual fees for licenses shall be as follows:

1. Class A license: [~~\$320.00~~] **\$356.00** plus the amount determined in accordance with (c)6 below;

2. Class B license: [~~\$360.00~~] **\$400.00** plus the amount determined in accordance with (c)6 below;

3. Class C or D license: [~~\$400.00~~] **\$444.00** plus the amount determined in accordance with (c)6 below;

4. Class E license: [~~\$300.00~~] **\$333.00**;

5. Any license, other than Class E, issued to a corporation, partnership, or association: [~~\$600.00~~] **\$666.00**;

6. Except as otherwise provided in (c)7 below, the fee for any license, other than a Class E license, shall also include the following additional fee if the facility (or facilities) is (or are) occupied by, or intended to be occupied by, six or more residents:

i. Six - 10 residents[~~--~~] [~~\$50.00~~] **\$56.00**;

ii. Eleven - 15 residents [~~\$100.00~~] **\$111.00**;

iii. Sixteen - 30 residents [~~\$140.00~~] **\$156.00**;

iv. Thirty-one or more residents[: \$200.00.] **\$222.00; and**

7. The total fee for any license shall in no case exceed [\$600.00] **\$666.00.**

(d)-(n) (No change.)