

BOROUGH OF POINT PLEASANT BEACH

OCEAN COUNTY, NEW JERSEY

Ordinance 2024-08

**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 Borough of Point Pleasant Beach is statutorily required to maintain a registration system under the Act, the Borough Council seeks to codify these mandatory provisions in State law, while establishing reasonable fees to ensure that the Borough 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 Borough Council of the Borough of Point Pleasant Beach in the County of Ocean, State of New Jersey, as follows:

SECTION I. Chapter 5, titled "Licenses-General" of the Point Pleasant Beach Municipal Code is hereby amended and supplemented as follows:

Chapter 5 Licenses-General

§ 5-3.1 Application Information.

The application shall be a written statement upon the forms provided by the Borough licensing officer and shall contain the following:

a.-p. [No change].

q. A certificate of insurance coverage pursuant to the requirements of § 5-27.

§ 5-27 Insurance Requirements for Business Owners.

a. Requirement to Carry Insurance

1. The owner of a business located within the Borough of Point Pleasant Beach 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 requirement to maintain insurance coverage pursuant to this section shall be a condition of the issuance of a license pursuant to § 5-2.1.

b. Registration of Certificate of Insurance; Certificate of Registration

1. Prior to February 1 of each calendar year, the owner of a business located within the Borough of Point Pleasant Beach 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 Borough's Bureau of Fire Safety or other designated office.
3. Upon filing of the required documents under subsection b.1, the Borough 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. Any business that is subject to licensure under the requirements of § 5-27 shall be exempt from this fee.

d. Penalty for Non-Compliance; Fines

1. If a business owner fails to file the required certificate of insurance with the Borough of Point Pleasant Beach and/or pay the corresponding fee as required in subsection b.1 within ten (10) days of any applicable deadline, the Borough 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.

SECTION 2. Chapter 13, titled “Housing” of the Point Pleasant Beach Municipal Code is hereby amended and supplemented as follows:

§ 13-8 Contents of Application for Certificate of Occupancy and Application for License.

Every person required to procure a certificate of occupancy and a license under the provisions of this chapter shall submit an application for such to the Construction Department at the Municipal Building of the Borough of Point Pleasant Beach, which application shall be accompanied by the full amount of the fees chargeable for the certificate and/or license sought. All applications for a certificate or license under the provisions of this chapter shall be by a written statement upon the forms provided by the Construction Department and shall contain the following:

a.-h. [No changes].

g. A certificate of insurance coverage pursuant to the requirements of § 13-27.

§ 13-27 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 Borough of Point Pleasant Beach 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 Borough of Point Pleasant Beach 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.
3. The requirement to maintain insurance coverage pursuant to this section shall be a condition of the issuance of a license pursuant to § 13-6.

b. Registration of Certificate of Insurance; Certificate of Registration

1. Prior to February 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 Borough's Bureau of Fire Safety or other designated office.
3. Upon filing of the required documents under subsection b.1, the Borough 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. This fee shall be waived provided the owner is compliant with licensure under § 13-8.

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 Borough of Point Pleasant Beach 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.

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 4. Effective Date.

This ordinance shall take effect upon final adoption and publication in accordance with law.

Approved this 7th day of May, 2024

Douglas R. Vitale
Borough of Point Pleasant Beach
Douglas R. Vitale, Mayor

NOTICE

NOTICE IS HEREBY GIVEN that the foregoing Ordinance was introduced and passed at a meeting of the Governing Body of the Borough of Point Pleasant Beach, in the County of Ocean, State of New Jersey, on April 16, 2024. It was further considered for final passage after public hearing at a regular meeting of the Governing Body held in the Council Chambers at Borough Hall, 416 New Jersey Avenue, Point Pleasant Beach, NJ, on May 7, 2024, at which time and place any person desiring to be heard was given an opportunity to be so heard.

EILEEN FARRELL, RMC
Municipal Clerk

LEGAL NOTICE

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

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