

**BOROUGH OF FREEHOLD**

**COUNTY OF MONMOUTH**

**#2025/13**

**ORDINANCE AMENDING AND SUPPLEMENTING TITLE 5  
(BUSINESS LICENSES AND REGULATIONS)**

WHEREAS, the Borough of Freehold (the "Borough") is a public body corporate and politic of the State of New Jersey; and

WHEREAS, the Borough wishes to enact revisions to its Ordinances holding landlords of rental properties to certain standards of responsibility in the maintenance and supervision of rental premises; and

WHEREAS, N.J.S.A. 40:48-2.12(a) authorizes the governing body of any municipality to make, amend, repeal and enforce ordinances to regulate buildings and structures and their use and occupation, to prevent and abate conditions therein harmful to the health and safety of the occupants of said buildings and structures and the general public in the municipality; and

WHEREAS, the Mayor and Council of the Borough of Freehold believe it is in the public interest to amend the regulations for licensing landlords of rental properties and the regulations of rental properties in the Borough of Freehold.

NOW, THEREFORE, BE-IT ORDAINED by the Mayor and Council of the Borough of Freehold as follows:

Title 5 "Business Licenses and Regulation" of the Code of the Borough of Freehold shall be amended as follows; additions to the current ordinance are noted in underline; deletions are noted as struck through [Unmodified sections were omitted for the sake of brevity]:

5.92.010 Definitions.

[The following words, terms and phrases when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:]

"Agent" shall mean the individual or individuals designated by the owner as the person(s) authorized by the owner to perform any duty imposed upon the owner by this chapter. The term does not necessarily mean a licensed real estate broker or salesman of the State of New Jersey. The agent shall reside in Monmouth County. The name, physical address and telephone number of such registered agent must be filed with the Borough of Freehold. The agent must sign an affidavit or notarized statement indicating that he or she has accepted the responsibility to act as the registered agent for the property owner and that he or she will accept service of process, etc., for the owner. This document is part of and must be submitted with the application for the registration of a rental facility or unit. "Apartment" shall mean and include that portion of a dwelling unit rented or offered for rent, for living and dwelling purposes, to one individual or family unit together with all privileges services, furnishings, furniture, equipment, facilities and improvements connected with the use or occupancy of such portion of the property. "Available for rent to tenant" shall mean fit for habitation as defined by the Statutes of the State of New Jersey, codes and ordinances of the Borough of Freehold.

“Advertise or Advertising” shall mean any form of solicitation, promotion, and communication for marketing, used to solicit, encourage, persuade, or manipulate viewers, readers, or listeners into contracting for goods and/or services in violation of this article, as same may be viewed through various media, including but not limited to signs, newspapers, magazines, flyers, handbills, pamphlets, commercials, radio, direct mail, internet websites, or text or other electronic messages for the purpose of establishing occupancies or uses of rental property, for consideration, which are prohibited by this article.

“Consideration” shall mean any soliciting, charging, demanding, receiving or accepting any legally recognized form of consideration, including a promise or benefit, a quid pro quo, rent, fees, other form of payment, or thing of value.

"Dwelling" shall mean and include any building or structure rented or offered for rent to one or more tenants or family units. "Dwelling unit" shall mean and include that portion of a building or structure forming a single habitable unit with facilities which are used or intended to be used for living or sleeping and which is provided with facilities for cooking and eating and which is rented or offered for rent.

“Housekeeping Unit” shall mean a family-type situation, involving one or more persons, living together, that exhibit the kind of stability, permanency, and functional lifestyle equivalent to that of a traditional family unit, as further described in the applicable decisions of the New Jersey Superior Court.

"Immediate family members" shall mean parent(s), child, sibling(s), grandparent or grandchild and Housekeeping Unit.

"Landlord" shall mean the same as "owner."

"License" shall mean the license issued by the Borough of Freehold attesting that the rental unit has been properly registered in accordance with this chapter.

"Licensed registered property" shall mean every rental property which has been offered for rent as a residential dwelling and has been duly registered by the borough.

"Occupants of rental units" or "tenants" shall mean those persons who have leased the unit from the owner regardless of the type of tenancy under which they occupy the unit.

"Owner" shall mean any person who owns any legally cognizable interest in any apartment complex including but not limited to outright ownership, ownership through a partnership, corporation or limited liability company.

"Maintenance" or "property maintenance" shall mean the cleanliness and proper working order and upkeep of all areas and facilities of the complex used by the tenants and the public.

"Rental Property" or "rental facility" shall mean every structure or building which contains one or more individual residential rental units other than owner occupied structures or buildings.

"Individual condominium units" shall be treated as separate and individual rental properties.

"Rental unit" shall mean and include that portion of a dwelling, building or structure rented or offered for rent, for living and dwelling purposes to individuals or family units.

"Reside" shall mean to live or dwell permanently or continuously for ten (10) or more days; to occupy a place as one's domicile.

"Owner occupied" shall mean the primary residential living unit of the owner.

"License year" shall run from July 1 to June 30.

"Annual fee" shall mean the fee for the license year.

#### 5.92.020 Registration.

A. No building or part thereof shall be occupied as a rental facility or offered to the public for rent, prior to registration with the borough as hereinafter provided. All rental units shall be registered on an annual basis. This chapter shall not apply to owner-occupied rental units.

B. Licensed Registered Property Application. The borough shall make available at the code office the licensed registered property application. Application to register the rental facility shall be made in writing within thirty (30) days after the issuance of the certificate of occupancy, on an annual basis, and/or upon any change in occupancy and shall be signed by the owner on the form provided. The annual application forms shall be submitted prior to the due date, as set forth in this chapter. The application shall require the following information:

1. The name, email address, physical address, home, office and cell phone number of all record owners and agent/operator of the rental property, building or of the rental business (including all general partners in the case of a partnership and all members in the case of limited liability company and all shareholders in the case of a corporation).

2. A certified statement from the owner and/or operator that, to the best of their knowledge, the rental property is current with all applicable municipal taxes, utility charges, that the exterior and interior of the rental property comply with applicable building codes and that there are no current or pending violations of applicable building codes for the rental property.

3. If fuel oil is used to heat the operator's rental units and the operator furnishes heat, the name and address of the fuel oil dealer servicing the unit and the grade of oil used.

4. As to the initial rental of each rental unit, the operator shall provide a floor plan of the unit, which shall depict the number, dimensions and location of each room in the unit. No space shall be used for sleeping purposes which has not been so designated as a sleeping area on the sketch provided by the owner and approved by the construction official/local enforcing agency which shall be on file with the construction official/ local enforcing agency. If there has been no change in the floor plan since the prior submission of a registration statement, the operator may provide a certification to the borough to that effect. If such a certification is provided, the operator shall not be required to provide an additional floor plan in subsequent years.

5. A certified statement from the owner and/or operator that the designated agent is authorized to act on behalf of the owner, may accept service of process and that service upon the agent shall be service upon the owner.

6. A certified statement from the agent that he or she has accepted the responsibility to act as the registered agent for the property owner and that he or she will accept service of process, etc., for the owner. This document is part of and must be submitted with the application for the registration of a rental facility or unit.

C. Rental Property Registration Statement Updates. In the event a tenancy or portion thereof changes during the year, the licensed registered operator or its authorized agent shall, within thirty (30) days of the change in tenancy, provide an updated rental property registration statement for every rental unit in which a change in tenancy has occurred. This shall be in addition to the requirements for obtaining a certification of occupancy for the change of tenancy. There shall be no additional charge for submitting this registration statement update.

D. Prior to every change of less than fifty (50) percent of the registered occupants or at least once every three years, an inspection of the dwelling shall be made of the dwelling and premises by the code officer for visible life safety violations, including but not limited to smoke detectors, CO detectors handrails guardrails, electrical and any other life safety related items, including but not limited to sleeping in non-habitable areas and areas which have not been designated for sleeping on the registration floor plan.

A missed inspection fee of ~~one two hundred twenty-five dollars (\$200) (\$125.00)~~ shall be charged to any landlord who fails to appear or have an authorized agent appear for an inspection or reinspection as scheduled or whose tenant refuses to allow the inspection by the code officer.

E. Licensed Registered Property Fee. Consistent with the provisions of this section, each owner shall pay a single annual fee as follows:

1. Rental property with 1-5 units:

\$100.00

2. Rental property with 6-10 units:

\$125.00

3. Rental property with 11-25 units:

\$175.00

4. Rental property with 26 or more units: \$250.00

F. Payment of Licensed Registered Property Fee. Consistent with the term of the registration year, at the option of the operator, the licensed registered property fee may be paid in semi-annual increments, July 1 and January 1. Payments not received within fifteen (15) days of the due date will be deemed to be in default and shall constitute a violation of this chapter.

G. Hardship Waiver. Owners who rent to immediate family members at a discounted rent may apply to the mayor and council for a hardship waiver of all or a portion of the licensed registered operator fee. Application for the hardship waiver must be made within fifteen (15) days of the commencement of the tenancy by the family member and the award of all or a portion of the fee shall be within the sole discretion of the mayor and council based on the extent of the discounted rent amount.

H. Authorization as Licensed Registered Property. Upon completion of the licensed registered property application and payment of the fee, the property shall be deemed a "licensed registered property" and is authorized to be occupied as a rental property or facility.

I. Licensed Registered Operator Term and Cost. Upon compliance with this section, a

licensed registered operator is an authorized operator for one year. The licensed registered operator term/year shall run from July 1 through June 30 and shall be renewed on an annual basis.

J. **Revocation of Licensed Registered Property.** In the event a licensed registered property is the subject of more than three sustained violations of this chapter in any given two-year period, the mayor and council may seek to revoke the registered rental property registration status. In any case in which revocation of the licensed registered property is sought, the borough shall provide the owner with notice of the grounds for revocation and a right to request a hearing, which must be scheduled no less than seven days after service of the notice of the grounds for revocation. The owner of the licensed registered property shall be permitted to provide written submissions objecting to the grounds for revocation and appear at a hearing regarding the revocation. To the extent that the mayor and council determine that the property or owner has engaged in a pattern of violating this chapter, the registration as licensed registered property may then be revoked and penalties assessed consistent with this section. Upon payment of any assessed penalties, payment of the licensed registered property fee and re-inspections of the operator's rental property to establish that the operator's rental property comply with the chapter, the status as licensed registered property shall be reinstated. The reinstatement fee shall be ~~seventy-five-two hundred dollars~~ (\$75.00) (\$200) per rental property. To the extent that property and/or owner fails to become reinstated, the owner shall be prohibited from offering rental units/ property to the public for rent.

K. **Transfer of Licensed Registered Property.** In the event ownership of the rental property is transferred during the licensed registered operator year, the new owner shall apply for a transfer of the licensed registered property registration within ten (10) days of the transfer. There will be a fifty-dollar (\$50) transfer fee associated with this transfer so long as the new owner completes the licensed registered property application. The transferor owner shall forfeit any claim against the municipality for amounts previously paid to become an authorized licensed registered operator.

#### 5.92.030 Inspection of rental property.

A. **Systematic Inspection of Rental Property.** All rental property shall be inspected under a systematic plan at least once every three years by persons or agencies duly authorized by the borough for inspections for purposes of determining zoning ordinance compliance, and to determine if the rental property or rental unit comply with applicable ordinances, statutes and regulations, including but not limited to, the property maintenance code, BOCA, uniform construction code, health code, housing code and fire code, to check for visible life safety violations, including but not limited to smoke detectors, CO detectors handrails, guardrails, electrical and any other life safety related items, including but not limited to sleeping in non-habitable areas and areas which have not been designated for sleeping on the registration floor plan. Nothing contained in this section shall limit the operator's obligation to make payment of the registered operator and registration statement fee and file a registration statement(s) in compliance with Section 5.92.020.

B. **Timing and Location of Inspections.** On the first of the month preceding the month of inspections, the borough shall provide notice to affected owners of licensed registered property at the address given on the registration statement, of the scheduling of inspections. In that notice, the borough shall identify each property to be inspected and the date that the property will be subject to inspection. Inspections shall take place between 9:00 a.m. and 9:00 p.m. during the work

week (Monday— Friday), or at any other time agreed upon between the operator and the borough's inspectors. Absent good cause shown by the owner, the inspection of the identified rental property shall take place on the noticed date. Notice of the inspection schedule shall be made through mailing to the owner's authorized agent and publication of the proposed schedule at borough hall. It shall be the obligation of the owner/agent to notify the tenant of the scheduled inspection.

C. Requirement to Cooperate. Upon proper notice, the owner and tenant(s) of the licensed registered property shall make the rental property available for such inspections. The owner/agent and tenant(s) have a duty to cooperate in facilitating these inspections. It is understood that it may be necessary to reschedule inspection appointments based on scheduling conflicts with the owners/agents and/or the tenants. Inspection appointments may be changed upon two weeks' notice, provided the inspections are within the same inspection month. In the event a mutually convenient time and date cannot be agreed upon between the tenant, owner/agent and inspector, the inspector shall have the authority to schedule the appointment to meet the inspector's schedule and the owner/agent shall cooperate and allow the inspection. The owner/ agent has the right to be present at the inspection.

It shall be the responsibility of the owner/agent to assure that the tenant is notified of the proposed inspection and that inspection takes place at the scheduled time. A tenant's refusal to allow entry to their unit shall not be considered an owner's violation of the within section unless the refusal is based upon the owner's failure to provide the proper notice to the tenant.

In the event a tenant who has received notice of the inspection refuses entry by the inspector, the tenant shall be subject to a fine as set forth herein.

D. Method and Cost of Inspection. Systematic inspections shall be made in accordance with the code enforcement protocols, with the consent of the occupant, who is of legal age to grant such consent, or, absent tenant consent, with the owner's consent or with a court order, unless there is reason to believe that a violation exists which poses an immediate threat to health or safety, requiring inspection and abatement without delay. Failure to grant consent on the part of the owner/agent after proper notice shall constitute a violation of this section. The fee for the inspections shall be one hundred dollars (\$100.00) per rental property (the "inspection fee"). Payments not received within fifteen (15) days of the due date will be deemed to be in default and shall constitute a violation of this section. Any time that a rental property has undergone a certificate of occupancy inspection, the rental property will not be subject to a systematic inspection during at least the next twelve (12) months. The scheduled systematic inspection date will then be noticed to the owner consistent with this section.

E. Failure to Meet Standards and Right to Cure. In the event that the inspection(s) of a rental property does not result in a satisfactory inspection, the owner/agent of the licensed registered property shall cause all necessary repairs or corrections to be made as per the borough notice of violation or provide proof that the owner has commenced legal or administrative proceedings to cure the violation. Prior to the issuance of a summons, the owner/agent shall have, consistent with state statute, thirty (30) days to cure non-health and safety related violations and ten (10) days for health and safety related violations, other than overcrowding, for which a summons may issue immediately. An owner's failure to make repairs or corrections, within the time period, may be deemed in violation of this section and every day that the violation continues shall constitute a separate and distinct violation subject to the penalty provisions herein. The owner shall be entitled to a hearing before the code enforcement office or its designated hearing officer.

F. Failure to Comply with Requested Inspection. The refusal of entry for a property

noticed systematic inspection shall be a violation of the within section, for which a summons may issue.

Any tenant who refuses to allow inspection of the rental unit after receipt of proper notice shall be subject to a minimum fine of two hundred fifty dollars (\$250.00) for a 1st offense and five hundred dollars (\$500.00) for each subsequent offense.

In the event the inspection fails to take place due to the owner or agent not appearing for same, the owner and/or agent shall be subject to a fine of two hundred fifty dollars (\$250.00) for a first offense, five hundred dollars (\$500.00) for a second offense and one thousand dollars (\$1,000.00) for each subsequent offense in addition to the missed inspection fee.

G. Non-Systematic Inspections. Nothing contained herein shall limit the ability of the borough to conduct non-systematic inspections which are complaint driven, based on observations of the code officials or required for the issuance of a certificate of occupancy.

#### 5.92.040 Occupancy.

A. Occupancy. No person shall occupy any rental unit, nor shall the owner permit occupancy of any rental unit unless the operator is properly registered and the rental unit is identified on a properly filed rental property registration statement.

B. Notice of Occupancy. Pursuant to P.M. 901.5, the borough shall maintain and the owner of the licensed registered property shall post the maximum number of occupants in a conspicuous area within the rental property. In every written lease for each rental unit, the owner shall include a statement setting forth the maximum number of residents permitted in the unit and the location of designated and permitted sleeping areas.

C. Occupants. Only those occupants whose names are on file with borough as provided in this chapter may reside in the licensed premises. It shall be unlawful for any other person to reside in said premises, and this provision may be enforced against the landlord/owner, agent tenant or other person residing in said premises.

D. Violations. It shall be a violation of this section for any person, including the owner or tenant, to knowingly (a) rent or offer for rent an unregistered property; (b) fail to file the rental property registration statement; (c) fail to post and provide the appropriate notice(s) of occupancy; (d) fail to cooperate with the municipality in scheduling its systematic inspection; and (e) permit a rental property or rental unit to be conducted or maintained in a manner to constitute a nuisance.

E. Advertising prohibited. It shall be unlawful for any person to Advertise by any means a rental or offer for rent an unregistered property. All actions, or failures to act, regarding a rental Advertisement would be in violation of the provisions of this article.

#### 5.92.050 Exceptions.

The provisions of the chapter shall not apply to public housing authorities, not-for-profit housing corporation and rental property restricted to senior housing or housing for the developmentally disabled.

#### 5.92.060 Violations and penalties.

~~Failure to comply with any of the provisions of this chapter may result in the imposition of a fine in the amount of not more than one thousand two hundred fifty dollars (\$1,250.00). In addition to the fine set forth above, the court may impose a period of community service not exceeding ninety (90) days. It shall be deemed a separate and distinct violation, subject to the penalty provisions of this chapter, for each and every day that such violation continues and for each and every rental property and/or rental unit for which the violation continues. Unpaid fines and fees shall constitute a lien against the property.~~

Any person who violates any provision of this chapter shall, upon conviction in the Freehold Borough Municipal Court, or such other court having jurisdiction, be liable to a fine not less than \$1,250 and not exceeding \$2,000. Each day that a violation occurs shall be deemed a separate and distinct violation subject to the penalty provisions of this chapter. Failure to register each rental unit or the occurrence of any over-occupancy as defined by this chapter shall result in the fine provided for herein. Failure to register a rental unit or occupying without a landlord registration shall result in a fine of not less than \$1,000 for the first offense and \$2,000 for the second offense. The fine shall be imposed for each unit not registered and shall count as separate offenses. In addition to the fine set forth above, the court may impose a period of community service not exceeding ninety (90) days.

The provisions of this chapter shall be enforced by the Construction Official, Zoning Official, Health Department, other subcode or Code Official, as their jurisdiction may arise, including legal counsel for the Borough or other persons designated by the Borough, to issue municipal civil infractions directing alleged violators of this article and/or to appear in court or file civil complaints.

#### 5.92.070 Conflict with other laws.

Nothing contained in this chapter is intended to or shall surpass or supersede the regulations, standards, requirements and obligations set forth in the duly adopted property maintenance code.

### **Section II**

If any part of this Ordinance shall be deemed invalid, such part shall be deemed severable and the invalidity thereof shall not affect the remaining part of this Ordinance.

### **Section III**

Any Ordinance or portions thereof which are inconsistent with the provisions of this Ordinance are hereby repealed and superseded.

#### **Section IV**

This Ordinance shall take effect upon final passage and publication in accordance with Law.

Introduction: May 5, 2025

Public Hearing/Adoption: May 19, 2025