CHAPTER 92

AN ACT requiring liability insurance for business owners and rental unit owners and supplementing Title 40A of the New Jersey Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

C.40A:10A-1 Liability insurance, negligent acts, omissions; business owners, rental unit, units owner.

1. a. Except as provided in subsection b. of this section, the owner of a business or the owner of a rental unit or units shall maintain liability insurance for negligent acts and 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. 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.

C.40A:10A-2 Certificate of insurance, annually registration, municipality of business, rental units, multi-family home.

2. a. 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 this act with the municipality in which the business, rental units, or multi-family home is located.

b. The governing body of a municipality may, by ordinance, establish a reasonable administrative fee for the certificate of registration required pursuant to subsection a. of this section for properties located in that municipality. The governing body of a municipality may collect, through a summary proceeding pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), a fine of not less than $500 but no more than $5,000 against an owner who failed to comply with the provisions of this act.

3. a. The provisions of subsection a. of section 1 of this act shall take effect on the 90th day next following enactment for all new policies issued on or after the 90th day following enactment and shall take effect on the 180th day next following enactment for all policies in force on the date of enactment that are renewed on or after the 180th day following enactment.

b. The provisions of subsection b. of section 1 of this act shall take effect on the 180th day next following enactment and shall apply to policies issued or renewed on or after the 180th day following enactment.

c. The provisions of section 2 of this act shall take effect on the 90th day next following enactment.

Approved August 5, 2022.