



BOROUGH OF HIGHLANDS  
COUNTY OF MONMOUTH

## ORDINANCE 0-18-08

### AN ORDINANCE ADDING CHAPTERS 4-14 AND 4-15 OF BOROUGH CODE CONCERNING SHORT TERM RENTALS AND BONDS FOR DAMAGE CAUSED BY CERTAIN RENTAL PROPERTIES

WHEREAS, the governing body of the Borough of Highlands has determined that no regulation currently exists for the rental of residential property on a short-term basis, and if left unregulated, could adversely affect the health, safety, and general welfare of the citizens of the Borough;

WHEREAS, the governing body of the Borough of Highlands has determined that it is in the best interest of the residents to establish a permitting process for short-term rental of residential properties and to require bonds to cover damage caused by the rental of certain residential properties.

NOW, THEREFORE, BE IT ORDAINED by the governing body of the Borough of Highlands as follows:

#### SECTION I.

The following Section of Chapter 4, Section 4-14 **entitled "SHORT-TERM RENTALS" of the Borough Code shall be added to provide as follows:**

#### 4-14 SHORT-TERM RENTALS.

##### 4-14.1 Purpose and scope.

This Section aims to regulate the increasingly widespread practice of renting or leasing various types of dwellings, or segments thereof, located primarily in residential neighborhoods, on a short-term basis to transient guests. This practice has been popularized and facilitated by various websites that advertise and broker these rentals. Left unregulated, this practice could adversely affect the health, safety, and general welfare of the citizens of the Borough. This Section seeks to balance the rights of the owners of residential dwelling units and the needs of the community at large.

This Section does not apply to lawfully established and operating hotels, motels, rooming houses, boardinghouses, and bed-and-breakfast establishments.

#### 4-14.2 Definitions.

As used in this Section (4-14), the following terms shall have the meanings indicated below:

*Owner* shall mean an individual or entity holding title to a property proposed for short-term rental, by way of a legally recorded Deed.

*Owner-Occupied* shall mean the owner of the property resides in the short term rental **property (also referenced as “STRP”), or in the principal residential unit with which the** STRP is associated on the same lot, and identifies same as his or her principal residence as that term is defined in this Section (4-14). For purposes of this Section (4-14), if the owner of the property is an entity other than an individual or individuals, then at least one principal or member of the owner entity must reside in the STRP, or in the principal residential unit with which the STRP is associated on the same lot, and identify same as his or her principal residence as that term is defined in this Section (4-14).

*Principal Residence* shall mean the address: (1) where at least one of the property owners spends the majority of his or her non-working time, and (2) which is most clearly the center **of his or her domestic life, and (3) which is identified on his or her driver’s license or State** Identification Card as being his or her legal address. All the above requirements must be met in order for an address to constitute being a principal residence for purposes of this Section (4-14).

*Property* shall mean a parcel of real property located within the boundaries of the Borough of Highlands.

*Responsible Party* shall mean both the short-term rental property owner and a person (or property manager) designated by the owner to be called upon and be responsible at all times during the period of a short-term rental and to answer for the maintenance of the property, or the conduct and acts of occupants of the short-term rental property, and, in the case of the property manager, to accept service of legal process on behalf of the owner of the short-term rental property.

*Short-Term Rental* (also referenced as “STR”) shall mean the accessory use of a dwelling **unit for occupancy by someone other than the unit’s owner or permanent resident for a** period of thirty (30) or less consecutive days, but for not less than three consecutive days, up to a cumulative total period of not to exceed ninety (90) days in a calendar year, which dwelling unit is regularly used and kept open as such for the lodging of guests, and which is advertised or held out to the public as a place regularly rented to transient occupants, as that term is defined in this Section (4-14).

*Short-Term Rental Property* (also referenced as “STRP”) shall mean a dwelling unit as defined in Section 10-3.1 of the Code of the Borough of Highlands, that is used and/or advertised for rent as a short-term rental by transient occupants as guests, as those terms are defined in this Section (4-14). Dwelling units rented to the same occupant for more

than thirty (30) continuous days, licensed Bed and Breakfast establishments, licensed rooming or boarding houses, hotels, and motels shall not be considered Short-Term Rental Property.

*Transient Occupant* shall mean any person or a guest or invitee of such person, who, in exchange for compensation, occupies or is in actual or apparent control or possession of residential property, which is either: (1) registered as a short-term rental property, or (2) satisfies the definition of a short-term rental property, as such term is defined in this Section (4-14). It shall be a rebuttable presumption that any person who holds themselves out as being an occupant or guest of an occupant of the short-term rental is a transient occupant.

#### 4-14.3 Regulations Pertaining to Short-Term Rentals.

a. It shall be unlawful for any owner of any property within the geographic bounds of the Borough of Highlands, to rent or operate a short-term rental contrary to the procedures and regulations established in this Section (4-14) or applicable State statute.

b. Short-term rentals shall be permitted to be conducted in the following classifications of property in the Borough of Highlands:

1. Condominium units, where the Condominium Association By-Laws and Master Deed do not prohibit a short-term rental, and where the owner of the unit legally identifies the address as his or her principal residence;
2. Individually or collectively owned single-family residences, which one of the owners legally identifies as the address of his or her principal residence, as that term is defined herein;
3. One unit within a two-family residential dwelling, where the other unit is occupied by the owner and identified by the owner as his or her principal residence, as that term is defined herein;
4. Not more than one unit in any multi-family residential dwelling, where one other unit in the same dwelling is occupied by the owner and identified by the owner as his or her principal residence, as that term is defined herein; and
5. Not more than one room within a single-family residential dwelling unit, where the room shares common kitchen and bathroom facilities with the occupant of the dwelling unit, and the remainder of the single-family dwelling unit is occupied by the owner and identified by the owner as his or her principal residence, as that term is defined herein.

c. Notwithstanding the provisions of sub-paragraph (b) above, short-term rentals shall not be permitted in boarding or rooming houses, dormitories, foster homes, adult family care homes, assisted living facilities, community residences for developmentally disabled persons, community shelters for victims of domestic violence, or nursing homes. Further, short term rental of the following properties is prohibited:

1. Condominiums or townhomes, where the Condominium Association By-Laws or Master Deed, or Condominium Rules and Regulations, do not permit such short-term rental of condominium units in the development;
2. An individually or collectively owned single-family residential dwelling unit, which address none of the owners legally identifies as his or her principal residence;
3. A unit in a two-family residential dwelling, where the other unit is not occupied by the owner nor legally identified by the owner as his or her principal residence;
4. Two or more units in a multi-family residential dwelling, and where one of the other units is not occupied by the owner nor legally identified by the owner as his or her principal residence;
5. A room within a single-family, two-family or multi-family residential dwelling unit, where the room shares common kitchen and bathroom facilities with the occupant(s) of the dwelling unit in which it is located, which occupant(s) is neither the owner of the dwelling unit nor identifies the remainder of the dwelling unit in the single-family, two-family or multi-family residence as his or her principal residence.
6. Two or more individual rooms within a single-family, two-family or multi-family residential dwelling unit, where the rooms share common kitchen and bathroom facilities with the occupant(s) of the dwelling unit(s) in which they are located, which occupant(s) is neither the owner of the dwelling unit nor identifies the remainder of the dwelling unit in the single-family, two-family or multi-family residence as his or her principal residence.

d. The provisions of this Section (4-14) shall apply to short-term rentals as defined in Subsection 4-14.3 above. The following do not qualify as a privately-owned residential dwelling unit, as that term is used herein, and therefore do not need to obtain a short-term rental permit pursuant to this Section (4-14): any hotel, motel, studio hotel, rooming house, dormitory, public or private club, bed and breakfast inn, convalescent home, rest home, home for aged people, foster home, halfway house, transitional housing facility, or other similar facility operated for the care, treatment, or reintegration into society of human beings; any housing owned or controlled by an educational institution and used exclusively to house students, faculty or other employees with or without their families; any housing operated or used exclusively for religious, charitable or educational

purposes; or any housing owned by a governmental agency and used to house its employees or for governmental purposes.

#### 4-14.4 Short-Term Rental Permit, Permit Registration Fee/Application, and Certificate of Occupancy.

a. In addition to any land use requirement(s) set forth by the Zoning and Land Use Regulations of the Borough of Highlands, the owner/operator of a short-term rental property shall obtain a short-term rental permit from the Borough of Highlands Municipal Clerk, before renting or advertising for rent any short-term rental.

b. No person or entity shall operate a STRP, or advertise a residential property for use as a STRP, without the owner/operator of the property first having obtained a STR permit issued by the Borough of Highlands Municipal Clerk. The failure to obtain a valid STR permit prior to advertising the short-term rental property in any print, digital, or internet advertisement or web-based platform, and/or in the MLS or any realtor's property listing shall be a violation of this Ordinance. No STR permit issued under this Section (4-14) may be transferred or assigned or used by any person or entity, other than the owner to whom it is issued, or at any property location or dwelling unit other than the property for which it is issued.

c. An owner of property intended to serve as a short-term rental property, as defined herein, or any agent acting on behalf of the owner, shall submit to the Borough of Highlands Municipal Clerk, a short-term rental permit application provided by the Borough, along with an annual application/registration fee as follows:

1. \$400.00 annually for short-term rental property to be rented to separate Transient Occupants not more than five (5) times per month; or
2. \$500.00 annually for short-term rental property to be rented to separate Transient Occupants six (6) or more times per month.

Any owner who submits a short-term rental permit application for the rental to separate Transient Occupants not more than five (5) times per month and thereafter rents the STRP six (6) or more times in a single month shall immediately owe the difference in permit application/registration fees of \$100.00 to the Borough within ten (10) days of the sixth rental. Failure to pay within that time frame shall constitute a violation of this Section 4-14.

The annual application/registration fee shall be non-refundable, including in the event that the application is denied. The fee shall also constitute the required fee for the rental Certificate of Occupancy application, referenced below.

d. The short-term rental permit, if granted, shall be valid for a period of one year from the date of issuance.

e. The owner of a short-term rental property, as defined herein, or any agent acting on behalf of the owner, who intends to rent all of the property, or any permitted part thereof as a short-term rental, shall also make application to the Municipal Clerk, in conjunction with the short-term rental permit application, for the issuance of a rental Certificate of Occupancy for the short-term rental property, on such forms as required by that Department.

f. A short-term rental permit and rental Certificate of Occupancy shall be renewed on an annual basis, based upon the anniversary of the original permit issuance, by submitting to the Municipal Clerk, a short-term rental permit application and rental Certificate of Occupancy application and a registration fee as set forth in subsection 4-14.4(c).

g. The short-term rental permit shall expire automatically when the short-term rental property changes ownership, and a new initial application and first-time registration fee will be required in the event that the new owner intends to use the property as a short-term rental property. A new application and registration fee shall also be required for any short-term rental that had its short term rental permit revoked or suspended.

#### 4-14.5 Application Process for Short-Term Rental Permit and Inspections.

a. Applicants for a short-term rental permit shall submit, on an annual basis, an application for a short-term rental permit to the Borough of Highlands Municipal Clerk. The application shall be furnished, under oath, on a form specified by the Borough Administrator, accompanied by the non-refundable application fee as set forth in in subsection 4-14.4 above. Such application shall include:

1. The name, address, telephone number and email address of the owner(s) of record of the dwelling unit for which a permit is sought. If such owner is not a natural person, the application must include and identify the names of all partners, officers and/or directors of any such entity, and the personal contact information, including address and telephone numbers for each of them;

2. The address of the unit to be used as a short-term rental;

3. **A copy of the driver's license or State Identification Card of the owner of the short-term rental property, confirming, as set forth in this Section (4-14), that the property is the principal residence, as that term is defined herein, of the owner making application for the STR permit;**

4. **The owner's sworn acknowledgement that they comply with the requirement that the short-term rental property constitutes the owner's principal residence, as defined in subsection 4-14.2 above;**

5. The name, address, telephone number and email address of the short-term rental property responsible party, which shall constitute his or her 7 day a week, 24-hour a day contact information;

6. The owner's sworn acknowledgement that he or she has received a copy of this Ordinance, has reviewed it, understands its requirements and certifies, under oath, as to the accuracy of all information provided in the permit application;

7. The number and location of all parking spaces available to the premises, which shall include the number of legal off-street parking spaces and on-street parking spaces directly adjacent to the premises. The owner shall certify that every effort will be made to avoid and/or mitigate issues with on-street parking in the neighborhood in which the short-term rental is located, resulting from excessive vehicles generated by the short-term rental of the property, in order to avoid a shortage of parking for residents in the surrounding neighborhood;

8. **The owner's agreement that all renters of the short-term rental property shall be limited to one (1) vehicle per four occupants in the short-term rental property;**

9. The owner's agreement to use his or her best efforts to assure that use of the premises by all Transient Occupants will not disrupt the neighborhood, and will not interfere with the rights of neighboring property owners to the quiet enjoyment of their properties; and

10. Any other information that this Chapter requires a property owner to provide to the Borough in connection with an application for a rental certificate of occupancy. The Borough Administrator his or her designee shall have the authority to obtain additional information from the STRP owner/applicant or amend the permit application to require additional information, as necessary, to achieve the objectives of this Chapter.

b. Every application for a short-term rental permit shall require inspections every three months **for the STRP's compliance with the Borough's fire safety regulations and property maintenance code. In addition, each application is subject to review to verify the STRP's** eligibility for use as a short-term rental and compliance with the regulations in this Section (4-14).

c. For a condominium short-term rental permit application, a letter of approval by the condominium association must be submitted with the application.

d. A Zoning Compliance Certificate, which states that the premises are not being occupied or used in violation of the Zoning and Land Use Regulations of the Borough of Highlands, shall be required.

e. A sworn statement shall be required that there have been no prior revocations or suspensions of this or a similar license, in which event a license shall not be issued, which denial may be appealed as provided hereinafter.

f. Attached to and concurrent with submission of the permit application described in this Section (4-14), the owner shall provide:

1. Proof of the owner's current ownership of the short-term rental unit;
2. Proof of general liability insurance in a minimum amount of \$1,000,000.00; and
3. Written certification from the responsible party that they agree to perform all of the respective duties specified in this Section (4-14).

g. The STRP owner/permit holder shall publish the short-term rental permit number issued by the Borough in every print, digital, or internet advertisement, and/or in the **Multiple Listing Service (hereinafter "MLS") or other real estate listing of a real estate agent** licensed by the NJ State Real Estate Commission, in which the short-term rental property is advertised for rent on a short term basis.

h. Each and every time there is a change of occupancy by Transient Occupants during the year when the permit is active, the STRP owner, their agent, or the responsible party must provide the Borough with information as to the identity of all Transient Occupants who will be occupying the STRP, on a form to be made available by the Municipal Clerk or in electronic format on the Borough website. The intent is that the Borough shall have basic identifying information of all occupants of the STRP at all times, just as required by the Borough in conjunction with any standard rental Certificate of Occupancy application, which information shall include the **occupant's or occupants' names and** ages, and the dates of the commencement and expiration of the term of each short-term rental period of the respective occupant(s).

i. In no event shall a short-term rental property be rented to anyone younger than twenty-one (21) years of age. The primary occupant of all short-term rentals executing the agreement between the owner and the occupant must be over the age of twenty-one (21), and must be the party who will actually occupy the property during the term of the short-term rental. The primary occupant may have guests under the age of twenty-one (21) who will share and occupy the property with them. Both the primary occupant executing the short-term rental agreement and the STRP owner shall be responsible for compliance with this provision, and shall both be liable for a violation, where the property is not occupied by at least one adult over the age of twenty-one, during the term of the short term rental;

#### 4-14.6 Issuance of Permit and Appeal Procedure.



- a. Once an application is submitted, complete with all required information and documentation and fees, the Municipal Clerk, following any necessary investigation for compliance with this Section (4-14), shall either issue the short-term rental permit and Certificate of Occupancy, or issue a written denial of the permit application (with the reasons for such denial being stated therein), within ten (10) business days.
- b. If denied, the applicant shall have ten (10) business days to appeal in writing to the Borough Administrator, **by filing the appeal with the Borough Administrator's Office.**
- c. Within thirty (30) days thereafter, the Borough Administrator or his or her designee shall hear and decide the appeal.

#### 4-14.7 Short-Term Rental Operational Requirements.

- a. All short-term rentals must comply with all applicable rules, regulations and ordinances of the Borough of Highlands and all applicable rules, regulations and statutes of the State of New Jersey, including regulations governing such lodging uses, as applicable. The STRP owner shall ensure that the short-term rental is used in a manner that complies with all applicable laws, rules and regulations pertaining to the use and occupancy of a short term rental.
- b. A dwelling unit shall be limited to a single short-term rental contract at a time.
- c. The owner of a STRP shall not install any advertising or identifying mechanisms, such as signage, including lawn signage, identifying the property for rent as a short-term rental property.
- d. Transient Occupants of the STRP shall comply with all ordinances of the Borough of Highlands including, but not limited to those ordinances regulating noise and nuisance conduct. Failure of Transient Occupants to comply shall subject the Transient Occupants, the owner of the STRP and the Responsible Party listed in the short-term rental permit application, to the issuance of fines and/or penalties, and the possibility of the revocation or suspension of the STRP permit.
- e. The owner of a STRP shall post the following information in a prominent location within the short term rental:
  - 1. Owner name; if owner is an entity, the name of a principal in the entity, and phone number for the owner (individual);
  - 2. The name and phone number for the Responsible Party (as defined in this Section (4-14));

3. The phone numbers for the Highlands Police Department, the Highlands Fire Department, the Borough of Highlands Department of Code Enforcement and the Borough of Highlands Building Department;

4. The maximum number of parking spaces available onsite;

5. Trash and recycling pick-up day, and all applicable rules and regulations regarding trash disposal and recycling;

6. A copy of the this Ordinance;

7. A copy of Section 4-**15** "PROCEDURES TO REQUIRE AN OWNER OF RENTAL PROPERTY WHICH HAS BECOME SOURCE OF AT LEAST TWO (2) SUBSTANTIATED COMPLAINTS TO POST A BOND OR EQUIVALENT SECURITY TO COMPENSATE FOR ANY FUTURE DAMAGE OR EXPENSE SUFFERED FROM FUTURE REPETITION OF DISORDERLY, INDECENT, **TUMULTUOUS OR RIOTOUS CONDUCT**"; and

8. Notification that a guest, Transient Occupant, the Responsible Party or STRP owner may be cited or fined by the Borough of Highlands Police Department, Code Enforcement, or the Borough of Highlands Building Department, for violations of, and in accordance with any applicable Ordinance(s) of the Borough of Highlands;

f. In the event any complaints are received by the Highlands Police Department, Code Enforcement, or the Building Department regarding the short-term rental and/or the Transient Occupants in the STRP, and the owner of the STRP is unreachable or unresponsive, the Responsible Party listed in the short-term rental permit application shall have the responsibility to take any action required to properly resolve such complaints, and shall be authorized by the STRP owner to do so.

g. While a STRP is rented, the owner, the Responsible Party shall be available twenty-four hours per day, seven days per week for the purpose of responding within one (1) hour to complaints regarding the condition of the STRP premises, maintenance of the STRP premises, operation of the STRP, or conduct of the guests at the STRP, or nuisance complaints from the Highlands Police Department or neighbors, arising by virtue of the short-term rental of the property.

h. If the STRP is the subject of two (2) or more substantiated civil and/or criminal complaints, the Borough Administrator or his designee may revoke the short-term rental permit issued for the property, in which case, the STRP may not be the subject of a new STRP permit application for one (1) year following the date of revocation of the permit.

i. Failure to make application for, and to obtain the issuance of, a short-term rental permit prior to advertising the STRP in print publications or newspapers, on any internet-based booking platforms, or online, and/or in the MLS or other real estate listing of a real estate agent licensed by the NJ State Real Estate Commission, shall be equivalent to operation

of the STRP without a permit, and shall constitute a violation of this Code, and will result in enforcement action and the issuance of a Summons, and shall subject the STRP owner and the Responsible Party to issuance of fines and/or penalties.

j. The person offering a dwelling unit for short-term rental use must be the owner of the dwelling unit. A tenant of a property may not apply for a short-term rental permit, nor shall the property or any portion thereof be sub-leased by the tenant on a short-term basis, or operated as a STRP by the tenant. This STRP regulation shall supersede any conflicting provision in a private lease agreement permitting sub-leasing of the property, or any portion of the property. Violation of this Section (4-14) will result in enforcement action against the tenant, the STRP owner, and the Responsible Party, and will subject all such parties to the issuance of a Summons and levying of fines and/or penalties.

k. In the event that the Borough receives three (3) substantiated complaints concerning excessive vehicles belonging to the transient occupants of a STRP, the short-term rental permit for the property is subject to revocation by the Borough Administrator or his designee.

l. The STRP owner must be current with all tax and sewer charges assessed to the property prior to the issuance of a short-term rental permit. In the event that any code violations have been issued by the Borough relating to the STRP, a short-term rental permit shall not be issued until such time as such violations have been properly abated. The STRP owner must also close any open construction permits for the property prior to the issuance of a short-term rental permit.

m. All fines or penalties issued by the Municipal Court for the Borough of Highlands for any past code violations relating to the STRP, including penalties for failure to appear in Court, must be satisfied in full prior to the issuance of a short-term rental permit.

#### 4-14.8 Violations and Penalties.

A violation of any provision of the within Section (4-14) may subject the STRP owner, Transient Occupant(s), and the Responsible Party or their agents to fines assessed by the Court up to \$2,000.00 per violation, per day that the violation exists.

## SECTION II.

The following Section of Chapter 4, Section 4-**15** entitled “PROCEDURES TO REQUIRE AN OWNER OF RENTAL PROPERTY WHICH HAS BECOME SOURCE OF AT LEAST TWO (2) SUBSTANTIATED COMPLAINTS TO POST A BOND OR EQUIVALENT SECURITY TO COMPENSATE FOR ANY FUTURE DAMAGE OR EXPENSE SUFFERED FROM FUTURE REPETITION OF DISORDERLY, INDECENT,

TUMULTUOUS OR RIOTOUS CONDUCT” of the Borough Code shall be added to provide as follows:

4-15 PROCEDURES TO REQUIRE AN OWNER OF RENTAL PROPERTY WHICH HAS BECOME SOURCE OF AT LEAST TWO (2) SUBSTANTIATED COMPLAINTS TO POST A BOND OR EQUIVALENT SECURITY TO COMPENSATE FOR ANY FUTURE DAMAGE OR EXPENSE SUFFERED FROM FUTURE REPETITION OF DISORDERLY, INDECENT, TUMULTUOUS OR RIOTOUS CONDUCT.

#### 4-15.1 Legislative Findings.

The Borough Council finds, determines and declares that:

- a. Highlands is a resort community and its citizens have experienced disturbances, damage and public expense resulting from carelessly granted and inadequately supervised rentals to irresponsible vacationers by inept or indifferent landlords.
- b. This section is enacted to preserve the peace and tranquility of the community for its permanent residents, and to maintain the municipality as a viable vacation resort for all persons and families availing themselves of the facilities in the community.
- c. The enactment of this section is necessary and desirable to provide a means to curb and discourage those occasional excesses arising from irresponsible rentals.
- d. The Legislature of the State of New Jersey enacted N.J.S.A. 40:48-2.12(n) et seq. to enable certain communities to take effective action to assure that excesses, when they occur, shall not be repeated, and that landlords offering rentals be held to sufficient standards of responsibility.

#### 4-15.2 Definitions.

For the purpose of this section, the following meanings shall apply:

*Hearing Officer* shall mean a licensed attorney of the State of New Jersey appointed by the Mayor, subject to the advice and consent of the Borough Council. The hearing officer shall not own or lease any real property within the Borough of Highlands, nor hold any interest in the assets of or profits arising from the ownership of such property.

*Landlord* shall mean the person or persons who own or purport to own any building in which there is rented or offered for rent housing space for living or dwelling under either a written or oral lease, including but not limited to any building subject to the "Hotel and Multiple Dwelling Law," P.L. 1967, c.76 (N.J.S.A. 55:13A-1 et seq.), owner-occupied two-unit premises, and short-term rentals pursuant to Section 4-14.

*Rental* shall mean any rental of residential accommodations.

*Substantiated complaint* shall mean an act of disorderly, indecent, tumultuous or riotous conduct, including by way of example but not limited to, simple assault, terroristic threats, harassment, urinating in public, lewdness, criminal mischief, or

excessive noise, upon or in proximity to any rental premises, and attributable to the acts or incitements of any of the tenants of those premises which have been substantiated by prosecution and conviction in any court of competent jurisdiction.

#### 4-15.3 Hearing, Penalty.

- a. If, in any twelve (12) month period, two (2) complaints, as defined in subsection 4-15.2 hereof, on separate occasions, of disorderly, indecent, tumultuous or riotous conduct, including by way of example, but not limited to, simple assault, assault, terroristic threats, harassment, lewdness, urinating in public, criminal mischief, or excessive noise, upon or in proximity to any rental premises, and attributable to the acts or incitements of any of the tenants of those premises, have been substantiated by prosecution and conviction in any court of competent jurisdiction, the Borough Council or any officer or employee of the Borough so designated by the Borough Council for this purpose, may institute proceedings to require the landlord of the rental premises to post a bond against the consequences of future incidents of the same character.
- b. The Borough Council or any officer or employee of the municipality designated by the Borough Council shall cause to be served upon the landlord, in person or by registered mail, to the address appearing on the tax records of the municipality, notice advising of the institution of such proceedings, together with particulars of the substantiated complaint upon which those proceedings are based, and of the time and place at which the hearing will be held in the matter, which shall be in the Municipal Building, Municipal Court or such other public place as designated by the Borough Council, and which shall be no sooner than thirty (30) days from the date upon which the notice is served or mailed.
- c. At the hearing convened pursuant to paragraph b. above, the hearing officer shall give full hearing to both the complaint of the municipality and to any evidence in contradiction or mitigation that the landlord, if present or represented or offering such evidence, may present. At the conclusion of the hearing, the officer shall determine whether the landlord shall be required to post a bond in accordance with the terms of this ordinance.
- d. Any bond required to be posted shall be in accordance with the judgment of the hearing officer, in light of the nature and extent of the offenses indicated in the substantiated complaints upon which the proceedings are based, to be adequate in the case of subsequent offenses to make reparation for:
  1. Damages likely to be caused to public or private property consequent upon disruption of affected residents' rights of fair use and quiet enjoyment of their premises; and
  2. Securing the payment of fines and penalties likely to be levied for such offenses; and
  3. Compensating the municipality for the costs of repressing and prosecuting such incidents of disorderly behavior; provided, however, no such bond shall be in an amount less than five hundred (\$500.00) dollars nor more than five

thousand (\$5,000.00) dollars. The municipality may enforce a bond thus requiring an action in the Superior Court, and shall be entitled to an injunction prohibiting the landlord from making or renewing any lease of the affected premises for residential purposes until that bond or equivalent security, in satisfactory form and amount, has been deposited with the municipality.

- e. Any bond or other security deposited in compliance with paragraph d, 3. above shall remain in force for a period of four (4) years. Upon the lapse of the four (4) year period, the landlord shall be entitled to the discharge of the bond, unless prior thereto further proceedings leading to a forfeiture or partial forfeiture of the bond or other security shall have been had under subsection 4-15.4 below, in which case the security shall be renewed in an amount and for a period that shall be specified by the hearing officer. A transfer of ownership or control of the property shall not void a requirement of security imposed under this section. The person or persons to whom ownership or control is transferred shall maintain that security, and shall be subject to injunctive proceedings as authorized by paragraph d. above in the same manner as the landlord upon which the requirement was originally imposed; provided however, the Borough Council may by Resolution shorten the period for which security is required to not less than one (1) year from the date of the transfer of ownership or control, if during that year no substantiated complaints are recorded with respect to the property in question.

#### 4-15.4 Bond Forfeiture, Extension.

- a. If during the period for which a landlord is required to give security pursuant to subsection 4-15.3 above, a substantiated complaint is recorded against the property in question, the Borough Council or its designee may institute proceedings against the landlord for the forfeiture or partial forfeiture of the security, for an extension as provided in subsection 4-15.3e. above, of the period for which the security is required, or for increase in the amount of security required, or for any or all of those purposes.
- b. Any forfeiture or partial forfeiture of security shall be determined by the hearing officer solely in accordance with the amount deemed necessary to provide for the compensatory purposes set forth in subsection 4-15.3d. above. Any decision by the hearing officer to increase the amount or extend the period of the required security shall be determined in light of the same factors set forth in subsection 4-15.3d. above, and shall be taken only to the extent that the nature of the substantiated complaint or complaints out of which proceedings arise under this action indicated the appropriateness of such change in order to effectually carry out the purposes of this ordinance. The decision of the hearing officer in such circumstances shall be enforceable in the same manner as provided in subsection 4-15.3d. above.

#### 4-15.5 Hearing Officer, Qualifications.

The hearing officer shall be a licensed attorney of the State of New Jersey appointed by the Mayor, subject to the advice and consent of the Borough Council. A hearing

officer shall not own or lease any real property within the Borough of Highlands, nor hold any interest in the assets of or profits arising from the ownership or lease of such property.

SECTION III. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance, which shall otherwise remain in full force and effect.

SECTION IV. REPEALER. All ordinances or parts of ordinances inconsistent herewith are hereby repealed to the extent of such inconsistency.

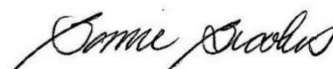
SECTION V. EFFECTIVE DATE. This ordinance shall take effect immediately upon its passage and publication in accordance with law.

**Motion to Introduce O-18-08:**

April 4<sup>th</sup> 2018

	INTROUCED	SECONDED	AYE	NAY	ABSTAIN	ABSENT
BRASWELL		X	X			
BROULLON			X			
D'ARRIGO			X			
RYAN			X			
O'NEIL	X		X			

I, Bonnie Brookes, Municipal Clerk of the Borough of Highlands, in the County of Monmouth, State of New Jersey, hereby certify this to be a true copy of the action of the Governing Body, at its Council Meeting, held April 4, 2018. WITNESS my hand this 5th day of April 2018.



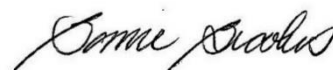
Bonnie Brookes, RMC  
Municipal Clerk

**Motion to Adopt O-18-08:**

April 18<sup>th</sup> 2018

	INTROUCED	SECONDED	AYE	NAY	ABSTAIN	ABSENT
BRASWELL			X			
BROULLON	X		X			
D'ARRIGO			X			
RYAN		X	X			
O'NEIL			X			

I, Bonnie Brookes, Municipal Clerk of the Borough of Highlands, in the County of Monmouth, State of New Jersey, hereby certify this to be a true copy of the action of the Governing Body, at its Council Meeting, held April 18, 2018. WITNESS my hand this 19th day of April 2018.



Bonnie Brookes, RMC  
Municipal Clerk