

ORDINANCE 2023-07
BOROUGH OF DUNELLEN

Adopted March 6, 2023

An Ordinance of the Borough of Dunellen Adding a New Chapter 130 to the Borough Code Entitled “Business and Insurance Registry” Pursuant to N.J.S.A. 40A:10A-2”

WHEREAS, on August 5, 2022, Governor Murphy signed Senate Bill S1368 into law as P.L. 2022, c.92, now codified at N.J.S.A. 40A: OA-2 (the "Law"); and

WHEREAS, the Law requires all business owners and rental unit owners to maintain a minimum of \$500,000 of liability insurance, and owner-occupied multi-family dwellings with four units or fewer must maintain a minimum of \$300,000 of liability insurance; and

WHEREAS, pursuant to the Law, municipalities are required to establish a business insurance registry for all business and rental unit owners; and

WHEREAS, pursuant to the Law, businesses and rental unit owners are required to provide municipalities with a certificate of insurance annually to establish compliance with the Law; and

WHEREAS, municipalities are permitted to charge an administrative fee in connection with such registration; and

WHEREAS, municipalities are permitted to enforce the provisions of the Law by imposing penalties; and

WHEREAS, the Borough of Dunellen is desirous of establishing a business and insurance registry as required by the Law.

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

Section 1. The Code of the Borough of Dunellen is hereby amended and supplemented by adding a new Chapter 100 entitled "Business and Insurance Registry," as follows:

CHAPTER 100. BUSINESS AND INSURANCE REGISTRY

- 100-1. Purpose.
- 100-2. Insurance Required.
- 100-3. Business Insurance Registration.
- 100-4. Certification of Registration.
- 100-5. Penalties.

100-1. Purpose

N.J.S.A. 40A: 10A-1, *et seq.* requires all business owners, owners of rental units, and owners of a multi-family home of four or fewer units, one of which is owner occupied, to maintain certain levels of liability insurance. That law further requires municipalities to establish a registry of all such individuals and entities and to annually collect proof of compliance with the provisions of the law. The purpose of this Chapter is to implement the requirements of the law within the Borough of Dunellen.

100-2. Insurance required.

A. Except as provided in Section 100-2(B) herein, business owners and owners of rental units located in the Borough of Dunellen must maintain liability insurance for negligent acts and omissions in an amount not 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. Owners of multi-family dwellings with four or fewer units, one of which is owner-occupied, must maintain liability insurance for negligent acts and omissions in an amount not 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.

100-3. Business insurance registration.

Owners of businesses or rental units subject to the minimum liability insurance requirements set forth in this Chapter must annually register with the Borough of Dunellen and provide a compliant certificate of insurance issued by the owner's insurance company. To complete the annual registration, the owner must file with the Municipal Clerk a completed registration, along with a copy of the required insurance certificate and an administrative fee of \$50. The registration shall be in such form and shall include such information as is required by the Municipal Clerk. Annual registrations shall be due by January 31 of each calendar year, or within 30 days of registering the business or obtaining ownership of the rental units.

100-4. Certification of registration.

Upon satisfaction of the registration requirements in Section 100-3 hereof, the Municipal Clerk shall issue a certificate of registration to the owner in a form approved by the Municipal Clerk. This certificate of registration shall act as proof of compliance with this Chapter. A certificate of registration shall be valid for the calendar year in which it is issued.

100-5. Penalties.

If an owner fails to maintain the required level of insurance, or fails to file an annual registration, the owner shall be subject to penalties of \$500 for a first offense, \$1,000 for a second offense, and \$2,000 for a third or subsequent offense. This penalty may be collected through a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," N.J.S.A. 2A:58-110, *et seq.* Each year that an owner fails to register or fails to maintain adequate insurance shall be deemed a separate offense.

Section 2. Severability.

If any provision or portion of a provision of this ordinance is held to be unconstitutional, preempted by Federal or State law, or otherwise invalid by any court of competent jurisdiction, the remaining provisions of the ordinance shall not be invalidated and shall remain in full force and effect.

Section 3. Effective date.

This Ordinance shall take effect immediately upon adoption and publication as required by law.

Section 4. Repeal of inconsistent ordinances.

All ordinances and parts of ordinances which are inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistency.