

DATE _____

NUMBER 63-2023

TITLE: AN ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF ORANGE TOWNSHIP, COUNTY OF ESSEX, STATE OF NEW JERSEY, ESTABLISHING CHAPTER 124 OF THE MUNICIPAL CODE OF THE CITY OF ORANGE TOWNSHIP, TO BE ENTITLED "LIABILITY INSURANCE REGISTRATION", AS REQUIRED PURSUANT TO *N.J.S.A. 40A:10A-1 ET SEQ.*

WHEREAS, in accordance with *N.J.S.A. 40A:10A-1 et seq.*, business owners and owners of a rental unit or units located within the City of Orange Township ("City") are required to maintain liability insurance for negligent acts and omissions with specific minimum coverage limits; and,

WHEREAS, pursuant to *N.J.S.A. 40A:10A-2(b)*, the City may, by ordinance, establish a reasonable administrative fee for the certificate of registration required to be established under this new State law; and,

WHEREAS, these requirements may be enforced by the City against any owner who fails to comply with the provisions of this new State law, through a summary proceeding authorized under the Penalty Enforcement Law of 1999, *N.J.S.A. 2A:58-10 et seq.*, with a fine of not less than \$500.00 and not more than \$5,000.00.

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF ORANGE TOWNSHIP, COUNTY OF ESSEX, STATE OF NEW JERSEY as follows:

Section 1 Amendment to Municipal Code.

Part II (General Legislation) of the Municipal Code, as amended, is hereby further amended as follows:

Chapter 124 Liability Insurance Registration

§ 124-1 Purpose; Definitions.

The purpose of this Chapter is to comply with the provisions of *N.J.S.A. 40A:10A-1 et seq.*, requiring municipalities to administer an insurance registration program for business and rental unit owners, requiring annual registration of Certificates of Insurance evidencing sufficient liability insurance for negligent acts and omissions.

As used herein, the term "Certificate of Insurance" shall refer to a document issued by an insurance carrier licensed to do business in the State of New Jersey, which includes: the policyholder's name; the covered property's address; the policy effective dates; the type of coverage; the policy limits; and, names of additional insured parties.

§ 125-2 Liability Insurance Required.

The owner of any business or rental unit located within the City of Orange Township shall maintain liability insurance for negligent acts and omissions, in the amounts established under *N.J.S.A. 40A:10A-1*, for combined property damage and bodily injury to or death of 1 or more persons in any 1 accident or occurrence.

§ 125-3 Annual Registration of Certificate of Insurance.

The owner of any business or rental unit located within the City of Orange Township shall, no later than January 1 of each calendar year, register a Certificate of Insurance with the Department of Planning & Economic Development evidencing compliance with the requirements of *N.J.S.A. 40A:10A-1*. The

(UNDERSCORES ARE ADDITIONS, {BRACED-STRIKEOUTS} ARE DELETIONS)

owner of multiple rental units may register a single Certificate of Insurance only for those units that are located within the same building.

Initial registration of a Certificate of Insurance for any business that was opened or any rental unit that was acquired after January 1 shall be required prior to issuance of any required licenses and/or certificate of occupancy or habitability for the business or rental unit. Registration for subsequent years shall be due no later than January 1, notwithstanding the date of initial registration.

§ 125-4 Administrative Fees.

An annual administration fee of \$25.00 shall be required for each Certificate of Insurance registered, and shall be payable to the City of Orange Township at the time of registration. A late fee of \$25.00 shall apply to annual registrations received after January 1, except in the case of an initial registration for a business opened or rental unit acquired after January 1.

§ 125-6 Violations; Penalties.

Penalties for noncompliance with this Chapter shall be imposed through a summary action pursuant to the Penalty Enforcement Law of 1999, N.J.S.A. 2A:58-10 et seq., as follows:

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| <u>First Offense</u> | <u>\$500.00 plus court costs</u> |
| <u>Second Offense</u> | <u>\$1,000.00 plus court costs</u> |
| <u>Third Offense</u> | <u>\$2,250.00 plus court costs</u> |
| <u>Fourth Offense</u> | <u>\$3,500.00 plus court costs</u> |
| <u>Subsequent Offenses</u> | <u>\$5,000.00 plus court costs</u> |

An offense shall conclusively occur if the business or rental unit owner fails to register a Certificate of Insurance within 30 calendar days of the date required under § 125-3 above, and each 30-day period of noncompliance thereafter shall be deemed a separate and subsequent offense.

Section 2 Severability of Ordinance Provisions.

Each Section of this Ordinance is an independent Section and any part hereof found unconstitutional, void or ineffective for any cause shall not affect the validity or constitutionality of any other parts hereof.

Section 3 Conflicts and Inconsistencies.

All other Ordinances and parts of Ordinances that conflict or are inconsistent with this Ordinance are hereby repealed, but only to the extent of such conflict or inconsistency.

Section 4 Effective Date.

Following final passage, this Ordinance shall take effect upon the expiration of 20 days after publication, unless otherwise provided by the Municipal Council.

PURPOSE: To comply with the provisions of *N.J.S.A. 40A:10A-1 et seq.*

FISCAL IMPACT: None.

Adopted:

Joyce L. Lanier
City Clerk

Tency A. Eason
Council President

Approved:

Dwayne D. Warren, Esq.
Mayor

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