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BANKING AND LANDLORD CLIENT ALERT

RESUMPTION OF COMMERCIAL LANDLORD TENANT TRIALS IN NEW JERSEY AND BILL A5820/S3866

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Date: June 4, 2021

Pursuant to Governor Murphy's [Executive Order 106](#), as of March 16, 2020 the Supreme Court suspended landlord/tenant trials subject to narrow exceptions set forth in the Court's [July 14, 2020](#) and [February 5, 2021 Orders](#). However, this past Tuesday, June 2, 2021, the Supreme Court entered an [Order](#) permitting commercial landlord-tenant trials to resume as of June 2, 2021. This should come as welcome news for commercial landlords and lenders seeking to remove commercial borrowers and tenants post-foreclosure although it will likely take some time for the backlog that has accumulated since last March to be worked out.

As it relates to residential evictions, on June 3, 2021, the New Jersey State Legislature passed [Assembly Bill 5820/Senate Bill 3866](#) (the "Emergency Powers Bill") officially ending the public health emergency in New Jersey and revoking a majority of the executive orders entered by Governor Murphy over the course of the last year and a half with the exception of fourteen executive orders that will remain in effect until January 1, 2022 unless Governor Murphy acts to modify or revoke those executive orders sooner. Governor Murphy is expected to sign the Emergency Powers Bill today and it will be implemented within thirty days after it is signed into law.

One of the executive orders automatically extended through January 1, 2022 (absent a prior modification or revocation by the Governor) is [Executive Order 106](#), the residential eviction moratorium. Since the State of New Jersey is concerned that there is no current plan in place to handle the flood of evictions once this moratorium is lifted (there are currently over 62,000 pending landlord tenant cases in New Jersey and the State judiciary expects over 194,000 to be filed by the end of the year) the current consensus is that Governor Murphy will not act to lift this moratorium any earlier than absolutely necessary, which means that it is possible homeowners and tenants will continue to enjoy protection from removal as a result of an eviction or foreclosure proceeding through January 1, 2022.

These recent developments are a good start in our return to the "new normal." However, residential landlords and lenders holding loans secured by residences will need to continue to wait until [Executive Order 106](#) either expires by its terms or is modified or revoked by Governor Murphy sooner. Moving forward, clients should continue to monitor the state of the law which is fluid as we work our way out of the pandemic. If you have any questions, please do not hesitate to call us to further discuss.

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