NOTICE TO THE BAR AND PUBLIC

<u>Landlord Tenant – Interim Process for Mandatory Settlement</u> Conferences

The Supreme Court has authorized mandatory settlement conferences in residential landlord tenant matters. This interim step is effective immediately pending further Court action on the Report and Recommendations of the Judiciary Special Committee on Landlord Tenant ("Special Committee").

All vicinages will schedule mandatory settlement conferences for pending landlord tenant cases. As set forth in the Court's attached July 1, 2021 Order, priority will be given to the nearly 14,000 landlord tenant cases that have been pending for more than one year or in which more than 12 months of rent is claimed to be due. Residential evictions remain suspended pursuant to the Governor's Executive Order 106 as continued by legislation. The Court's authorization of mandatory settlement conferences does not affect commercial landlord tenant proceedings, which have resumed pursuant to the Court's June 2, 2021 Order.

<u>Information</u> about rental assistance and legal assistance for tenants and landlords affected by the COVID-19 pandemic is posted on the Judiciary's website.

Questions about this notice or the Court's July 1, 2021 Order may be directed to the Civil Practice Division of the Administrative Office of the Courts at (609) 815-2900 x54900.

Hon. Glenn A. Grant, J.A.D.

Acting Administrative Director of the Courts

Dated: July 1, 2021

SUPREME COURT OF NEW JERSEY

In response to the COVID-19 public health emergency, the Supreme Court authorized the temporary suspension of landlord tenant trials since March 16, 2020, subject to narrow exceptions as set forth in the Court's <u>July 14, 2020</u> and <u>February 5, 2021</u> Orders. The Court in its <u>June 2, 2021</u> Order authorized the resumption of commercial landlord tenant trials.

Separate from the Court's action, Executive Order 106 (issued March 19, 2020) suspended residential evictions for two months after the conclusion of the COVID-19 public health emergency or state of emergency, subject to narrow exceptions "in the interest of justice." Pursuant to Executive Order 244 (issued June 4, 2021) and L. 2021 c.103, the state of the emergency continues, and the provisions of EO 106 may continue through December 31, 2021. In residential matters, courts throughout New Jersey are conducting trials in limited emergency circumstances and consistent with the general moratorium on residential evictions. The Judiciary now is preparing to resume trials in residential landlord tenant cases. Residential evictions, however, will not occur until authorized by the Executive Branch.

The Court in its <u>June 11, 2020</u> Fourth Omnibus Order authorized courts to schedule conferences in landlord tenant cases, including to conduct settlement

negotiations in an effort to resolve cases without trial. Such settlement conferences have been scheduled and conducted on a voluntary basis statewide.

The Court in its <u>September 30, 2020</u> Order relaxed and supplemented Rule 1:40-12(a)(4) ("Special Civil Part Settlors") so as to expand the pool of settlors to conduct landlord tenant settlement conferences.

Voluntary participation in settlement efforts has been limited. As a result, almost 14,000 landlord tenant cases have been pending for more than one year. Tens of thousands of additional cases also involve prolonged periods of nonpayment of rent.

Accordingly, IT IS ORDERED that effective immediately and until further order:

- 1. Courts statewide will schedule <u>mandatory</u> settlement conferences in landlord tenant cases.
 - a. Mandatory settlement conferences will primarily be conducted in a remote format. As necessary, courts will provide on-site technology resources to support participation. Judges also will have discretion to schedule mandatory in-person conferences based on the individual circumstances of a case.

- b. Courts will prioritize the oldest pending cases with the most unpaid rent and any newly filed cases where more than 12 months' rent is due and owing.
- 2. Parties will be required to appear at the mandatory settlement conference.

 The landlord should submit the lease and registration statement (if applicable) five days before the settlement conference.
 - a. Courts will provide notice of the consequences for failure to appear at the mandatory settlement conference.
 - b. If the landlord does not appear, the case will be dismissed.
 - c. If the tenant does not appear, default will be entered by the clerk.
 If the landlord is prepared to proceed, the court will hold a proof hearing. If the landlord is not prepared, a proof hearing will be held within 10 days of the mandatory settlement conference date.
 If the landlord establishes entitlement to relief, the court will enter default judgment. Pursuant to the Governor's Executive Order 106 as continued via statute, an eviction after default judgment cannot proceed until the end of the moratorium on residential evictions.
 - d. If both parties appear:

- The settlor will assist the parties in working out an agreement, which will be reduced to writing, placed on the record, and distributed to the parties; or
- ii. If no settlement is reached, the matter will be scheduled for trial. Those trials will begin September 1, 2021. The Judiciary will continue to collaborate with the Department of Community Affairs regarding available rental assistance programs as well as necessary steps that may be required by legislation currently awaiting action by the Governor as of the date of this Order. The target date of September 1, 2021 may need to be adjusted in light of that legislation.
- 3. In furtherance of the above provisions, pursuant to N.J. Const., Art. VI, sec. 2, par. 3, the following rules are relaxed as follows:
 - a. Rule 6:6-2 ("Entry of Default and Automatic Vacation Thereof") so as to provide that in landlord tenant actions the clerk shall enter the default of a party who has failed to appear at the time fixed for trial or other mandatory court event, provided that the party has been noticed that failure to appear for such mandatory court event shall result in the entry of default;

b. Rule 6:6-3(b) ("Entry by the Clerk; Judgment for Possession") so as to provide that judgment for possession may be entered by the clerk on affidavit or on proof hearing if the defendant fails to appear, plead or otherwise defend, and is not a minor or mentally incapacitated person, except where the landlord acquired title from the tenant or has given the tenant an option to purchase the property;

c. Rule 6:6-4 ("Consent Judgments for Possession and Stipulations of Settlement") so as to provide that a settlement agreement that provides for entry of judgment for possession against an unrepresented, residential tenant must be written, signed by the parties or placed on the record in lieu of signature, and reviewed and approved by the court; and

d. Such other rules as may be necessary to effectuate the purposes of this Order.

For the Court,

Chief Justice

Dated: July 1, 2021