

**ORDINANCE NO. 26-2022**

**AN ORDINANCE ESTABLISHING THE REQUIREMENT THAT  
LIABILITY INSURANCE BE MAINTAINED FOR BUSINESS AND  
RENTAL PROPERTY LOCATED IN THE CITY OF MARGATE  
CITY**

**WHEREAS**, the State of New Jersey has enacted *N.J.S.A. 40A:10A-1 et seq.* which requires business owners and owners of a rental unit or units, to maintain liability insurance for negligent acts and omissions; and

**WHEREAS**, this liability insurance must be in the amount of no less than \$500,000.00 for combined property damage and bodily injury to or death of one or more persons in any one accident or occurrence and for an owner of a multifamily home which is four or fewer units, one of which is owner occupied, liability insurance for negligent acts and omissions in an amount of no less than \$300,000.00 for combined property damage and bodily injury or death to one or more persons in any one accident or occurrence; and

**WHEREAS**, the Governing Body of the City of Margate City has elected to enact an Ordinance providing for the implementation of the required Certificate of Insurance Registration as a prerequisite for the issuance of any Residential Rental License or Mercantile License; and

**WHEREAS**, the Insurance Liability Certificate shall be required on an annual basis for all Residential Rental License and all Mercantile Licenses as herein after provided.

**NOW THEREFORE, BE IT ORDAINED**, by the Board of Commissioners of the City of Margate City, in the County of Atlantic, State of New Jersey, as follows:

1. Chapter 223 of the Municipal Code entitled "Rental Restrictions" shall be amended to add new sub-paragraph E to Chapter 223-6, entitled "Application Information" as follows:

E. Applicants shall provide proof of compliance with *N.J.S.A. 40A:10A-1 et seq.* which requires business owners and owners of a rental unit or units to maintain liability insurance for negligent acts and omissions as hereinafter provided.

1. The owner of a business or the owner of a rental unit or units shall maintain liability insurance for negligent acts and omissions in an amount of no less than \$500,000.00 for combined property damage and bodily injury to or death of one or more persons in any one accident or occurrence.
  2. The owner of a multifamily home which is four or fewer units, one of which is owner-occupied, shall maintain liability insurance or negligent acts and omissions in an amount of no less than \$300,000.00 for combined property damage and bodily injury to or death of one or more persons in any one accident or occurrence.
  3. Applicant shall provide proof that the Certificate of Liability Insurance has been registered on an internet website maintained by the New Jersey Division of Local Government Services.
  4. No rental license shall be issued without applicant furnishing proof that applicant is in compliance with these Ordinance provisions concerning liability insurance.
2. Chapter 183 of the Municipal Code entitled "Mercantile Licensing" shall be amended as follows:

§183-2 License Required shall be amended as follows:

- A. The name of this section shall be amended to be "Mercantile License Required.

B. Applicants for a Mercantile License shall provide proof of compliance with *N.J.S.A. 40A:10A-1 et seq.* which requires business owners and owners of a rental unit or units to maintain liability insurance for negligent acts and omissions as hereinafter provided.

1. No person shall engage in or carry on any business in Margate City, or aid or assist an employee, clerk or otherwise in carrying on such business, or in using any wagon, vehicle, stand, store or other place or thing or sell or offer for sale any goods or thing for which a license is required by the terms of this chapter, unless a license as herein provided for shall have been first obtained therefor.
2. The owner of a business shall maintain liability insurance for negligent acts and omissions in an amount of no less than \$500,000.00 for combined property damage and bodily injury to or death of one or more persons in any one accident or occurrence.
3. Applicant shall provide proof that the Certificate of Liability Insurance has been registered on an internet website maintained by the New Jersey Division of Local Government Services.
4. No mercantile license shall be issued without applicant furnishing proof that applicant is in compliance with these Ordinance provisions concerning liability insurance.

3. **Enforcement.** The City of Margate may enforce the registration provisions provided in *N.J.S.A. 40A:10A-1 et seq.* and this Ordinance through a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.O. 1999, c.274 (C.2A58.10 *et seq.*) a fine of not less than \$500.00 but no more than \$5,000.00 against an owner who failed to comply with the provisions of this Act.

**SECTION 2:** All ordinances or parts of ordinances inconsistent herewith are hereby repealed to the extent of such inconsistency only.

**SECTION 3:** This Ordinance shall take effect upon final adoption and publication and in the manner provided by law.

  
Michael Becker, Mayor

  
John Amodeo, Commissioner

  
Maury Blumberg, Commissioner

Board of Commissioners of the City of  
Margate City, NJ

Introduction: December 15, 2022  
Advertisement: December 19, 2022

Enactment: January 5, 2023  
Advertisement: January 11, 2023