

**SENATE, No. 1664**

**STATE OF NEW JERSEY**  
**214th LEGISLATURE**

INTRODUCED MARCH 11, 2010

**Sponsored by:**  
**Senator ROBERT M. GORDON**  
**District 38 (Bergen)**

**SYNOPSIS**

Authorizes the Judiciary to establish procedures for foreclosure proceedings involving timeshare interests by court rule.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning foreclosure procedures for timeshare interests  
2 and amending P.L.2006, c.63.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

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7 1. Section 17 of P.L.2006, c.63 (C.45:15-16.66) is amended to  
8 read as follows:

9 17. a. Before the first sale of a timeshare interest, the developer  
10 shall create or provide for a managing entity, which shall be either  
11 the developer, a separate manager or management firm, the board of  
12 directors of an owners' association, or some combination thereof.

13 b. The duties of the managing entity shall include, but not be  
14 limited to:

15 (1) Management and maintenance of all accommodations  
16 constituting the timeshare plan;

17 (2) Collection of all assessments as provided in the timeshare  
18 instrument;

19 (3) Providing to all purchasers each year an itemized annual  
20 budget, which shall include all estimated revenues and expenses;

21 (4) Maintenance of all books and records concerning the  
22 timeshare plan;

23 (5) Scheduling occupancy of accommodations, when purchasers  
24 are not entitled to use specific timeshare periods, so that all  
25 purchasers will be provided the opportunity to possess and use the  
26 accommodations of the timeshare plan which they have purchased;  
27 and

28 (6) Performing any other functions and duties that are necessary  
29 and proper to maintain the accommodations or that are required by  
30 the timeshare instrument.

31 c. In the event a developer, managing entity or association files  
32 a complaint in a foreclosure proceeding involving timeshare  
33 interests, the developer, managing entity or association may join in  
34 the same action multiple defendant obligors and junior interest  
35 holders of separate timeshare interests in accordance with the Rules  
36 Governing the Courts of the State of New Jersey, provided:

37 (1) The foreclosure proceeding involves a single timeshare plan;

38 (2) The foreclosure proceeding is filed by a single plaintiff;

39 (3) The default and remedy provisions in the written instruments  
40 on which the foreclosure proceeding is based are substantially the  
41 same for each defendant; and

42 (4) The nature of the defaults alleged is the same for each  
43 defendant.

44 d. In any foreclosure proceeding involving multiple defendants

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 filed under subsection c. of this section, the court shall, if  
2 appropriate, sever for separate trial any count of the complaint in  
3 which a defense or counterclaim is timely raised by a defendant.  
4 (cf: P.L.2006, c.63, s.17)

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6 2. This act shall take effect immediately.

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STATEMENT

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11 This bill authorizes the Judiciary, by court rule, to establish  
12 procedures for foreclosure proceedings involving timeshare  
13 interests by amending the “New Jersey Real Estate Timeshare Act.”  
14 By providing this authority, the bill permits the number of separate  
15 timeshare interests that may be joined in one foreclosure complaint  
16 to be established by the Judiciary. Under the current law, a  
17 timeshare developer, managing entity or association can join large  
18 numbers of timeshare owners in one foreclosure complaint. The  
19 Office of Foreclosure in the Administrative Office of the Courts  
20 experiences substantial administrative burdens in processing  
21 complaints that are so structured, and that require only a single  
22 processing fee that is disproportionate to the amount of time  
23 dedicated to processing these claims. Thus, the current law  
24 adversely affects the adjudication of such matters in a timely and  
25 cost-effective manner.

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27 By allowing the Judiciary, in accordance with the Rules  
28 Governing the Courts of the State of New Jersey, to limit the  
29 number of defendants that can be joined in a single timeshare  
30 foreclosure complaint, this bill is intended to alleviate the  
31 administrative burden on the Office of Foreclosure and increase the  
32 ability of the court system to adjudicate such matters in a timely  
33 fashion.