

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:*

6

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)

5
6 2. This act shall take effect immediately.
7
8

9 STATEMENT
10

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.

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