

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 908

STATE OF NEW JERSEY

DATED: JANUARY 27, 2020

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 908.

This bill clarifies certain assessment payment and election participation requirements in planned real estate developments. Certain associations have interpreted that the provisions of P.L.2017, c.106 (C.45:22A-45.1 et al.), enacted on July 13, 2017, may impose new responsibilities on certain property owners to pay assessments and other charges to their associations. This bill clarifies that P.L.2017, c.106 (C.45:22A-45.1 et al.) did not impose new responsibilities on property owners to pay such assessments and other charges.

The bill establishes that, except as otherwise provided by law, associations in common interest communities (“CICs”) that were established prior to the effective date of the “Planned Real Estate Financial Disclosure Act,” (“PREDFDA”), P.L.1977, c.419 (C.45:22A-21 et seq.), are not allowed to require a property owner to pay assessments and other charges, if the property owner’s title record does not impose such an obligation. Additionally, the bill establishes that, if an association has recorded a lien for non-payment on or after July 13, 2017, and the lien is based solely on the misinterpretation that P.L.2017, c.106 imposed new responsibilities on property owners to pay assessments or other charges, then the lien would be null and void. The bill requires an association that has imposed such a lien to promptly discharge the lien of record and provide notice of this action to the property owner. Under the bill, if an association fails to discharge such a null and void lien, the owner may bring an action to have the lien discharged and, if successful, would be entitled to petition the court for an award of counsel fees.

The bill would take effect immediately and be retroactive to July 13, 2017.