

ASSEMBLY, No. 816

STATE OF NEW JERSEY

INTRODUCED MARCH 13, 1972

By Assemblymen FLORIO and MENZA

Referred to Committee on Commerce, Industry and Professions

AN ACT to amend and supplement the "Condominium Act," approved January 7, 1970 (P. L. 1969, c. 257).

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. Section 3 of P. L. 1969, c. 257 (C. 46:8B-3) is amended to read  
2 as follows:

3 3. Definitions. The following words and phrases as used in this  
4 act shall have the meanings set forth in this section unless the  
5 context clearly indicates otherwise:

6 (a) "Assigns" means any person to whom rights of a unit owner  
7 have been validly transferred by lease, mortgage or otherwise.

8 (b) "Association" means the entity responsible for the admin-  
9 istration of a condominium, which entity may be incorporated or  
10 unincorporated.

11 (c) "Bylaws" means the governing regulations adopted under  
12 this act for the administration and management of the property.

13 (d) "Common elements" means:

14 (i) the land described in the master deed;

15 (ii) as to any improvement, the foundations, structural and  
16 bearing parts, supports, main walls, roofs, basements, halls,  
17 corridors, lobbies, stairways, elevators, entrances, exits and  
18 other means of access, excluding any specifically reserved or  
19 limited to a particular unit or group of units;

20 (iii) yards, gardens, walkways, parking areas and drive-  
21 ways, excluding any specifically reserved or limited to a par-  
22 ticular unit or group of units;

23 (iv) portions of the land or any improvement or appurte-  
24 nance reserved exclusively for the management, operation or  
25 maintenance of the common elements or of the condominium  
26 property;

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

- 27 (v) installations of all central services and utilities;  
28 (vi) all apparatus and installations existing or intended for  
29 common use;  
30 (vii) all other elements of any improvement necessary or  
31 convenient to the existence, management, operation, maintenance and safety of the condominium property or normally in  
32 common use; and  
33  
34 (viii) such other elements and facilities as are designated  
35 in the master deed as common elements.
- 36 (e) "Common expenses" means expenses for which the unit  
37 owners are proportionately liable, including but not limited to:  
38 (i) all expenses of administration, maintenance, repair and  
39 replacement of the common elements;  
40 (ii) expenses agreed upon as common by all unit owners;  
41 and  
42 (iii) expenses declared common by provisions of this act or  
43 by the master deed or by the bylaws.
- 44 (f) "Common receipts" means:  
45 (i) rent and other charges derived from leasing or licensing  
46 the use of common elements;  
47 (ii) funds collected from unit owners as common expenses  
48 or otherwise; and  
49 (iii) receipts designated as common by the provisions of  
50 this act or by the master deed or the bylaws.
- 51 (g) "Common surplus" means the excess of all common receipts  
52 over all common expenses.
- 53 (h) "Condominium" means the form of ownership of real prop-  
54 erty under a master deed providing for ownership by one or more  
55 owners of units of improvements together with an undivided in-  
56 terest in common elements appurtenant to each such unit.
- 57 (i) "Condominium property" means the land covered by the  
58 master deed, whether or not contiguous and all improvements  
59 thereon, *all owned either in fee simple or under lease*, and all ease-  
60 ments, rights and appurtenances belonging thereto or intended for  
61 the benefit thereof.
- 62 (j) "Limited common elements" means those common elements  
63 which are for the use of one or more specified units to the exclusion  
64 of other units.
- 65 (k) "Majority" or "majority of the unit owners" means the  
66 owners of more than 50% of the aggregate in interest of the un-  
67 divided ownership of the common elements as specified in the  
68 master deed. If a different percentage of unit owners is required

69 to be determined under this act or under the master deed or bylaws  
 70 for any purpose, such different percentage of owners shall mean  
 71 the owners of an equal percentage of the aggregate in interest of  
 72 the undivided ownership of the common elements as so specified.

73 (l) "Master deed" means the master deed recorded under the  
 74 terms of section 8 of this act, as such master deed may be amended  
 75 or supplemented from time to time, *being the instrument by which*  
 76 *the owner in fee simple or lessee of the property submits it to the*  
 77 *provisions of this chapter.*

78 (m) "Person" means an individual, firm, corporation, partner-  
 79 ship, association, trust or other legal entity, or any combination  
 80 thereof.

81 (n) "Unit" means a part of the condominium property designed  
 82 or intended for any type of independent use, having a direct exit  
 83 to a public street or way or to a common element or common ele-  
 84 ments leading to a public street or way or to an easement or right  
 85 of way leading to a public street or way, and includes the propor-  
 86 tionate undivided interest in the common elements and in any  
 87 limited common elements assigned thereto in the master deed or  
 88 any amendment thereof.

89 (o) "Unit deed" means a deed of conveyance of a unit in record-  
 90 able form.

91 (p) "Unit owner" means the person or persons owning a unit  
 92 in fee simple.

1 2. Section 8 of P. L. 1969, c. 257 (C. 46:8B-8) is amended to read  
 2 as follows:

3 8. Method of creation. A condominium may be created and  
 4 established by recording in the office of the county recording officer  
 5 of the county wherein the land is located a master deed executed  
 6 and acknowledged by all owners [of such land,] or the lessees  
 7 setting forth the matters required by section 9 of this act. This act  
 8 shall apply solely to real property of interests therein which have  
 9 been subjected to the terms of this act as provided in this section.

1 3. Nothing in the act to which this act is a supplement shall be  
 2 construed to prevent the creation and establishment of a condomin-  
 3 ium as defined in this act, upon land held under a lease by the  
 4 lessee or creator of the condominium, provided that the master  
 5 deed required under this act shall be signed, not only by the lessee,  
 6 but also by the lessor of the land who holds the legal title to the  
 7 land in fee simple.

1 4. This act shall take effect immediately.

SENATE LABOR, INDUSTRY AND PROFESSIONS  
COMMITTEE

STATEMENT TO  
ASSEMBLY, No. 816

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**STATE OF NEW JERSEY**  
—•—

DATED: MARCH 22, 1973

This bill amends and supplements the Condominium Act to provide that condominiums may be established upon land held under a lease. The lessor of the land would be required to sign the master deed which submits the property to the provisions of the Condominium Act.