### 45:22A-45.3 & 45:22A-45.4 LEGISLATIVE HISTORY CHECKLIST

Compiled by the NJ State Law Library

LAWS OF:	2020	CHAP	FER:	100		
NJSA:	45:22A-45.3 & 45:22A-45.4 (Clarifies association assessment payment requirements in planned real estate developments.)					
BILL NO:	S908 (Substituted for A2480)					
SPONSOR(S)	Troy Singleton and others					
DATE INTRODUCED: 1/27/2020						
COMMITTEE:	EE: ASSEMBLY: Housing					
	SE	NATE:	Comm	nunity & Urban A	ffairs	
AMENDED DURING PASSAGE: Yes						
DATE OF PASSAGE: ASSEMBLY: 9/24/2020						
		SENA	ſE:	8/27/2020		
DATE OF APP	ROVAL:	9/30/20	)20			
FOLLOWING ARE ATTACHED IF AVAILABLE:						
FINAL TEXT OF BILL (Second Reprint enacted)						Yes
S908						
INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT): Yes					Yes	
COMMITTEE STATEMENT: ASSEMBLY:					Yes	
					SENATE:	Yes
(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, <i>may possibly</i>						

be found at www.njleg.state.nj.us)

	FLOOR AMENDMENT STATEMENT:		No
	LEGISLATIVE FISCAL ESTIMATE:		No
A2480			
	INTRODUCED BILL (INCLUDES SPONSOR'S	STATEMENT):	Yes
	COMMITTEE STATEMENT:	ASSEMBLY:	Yes
		SENATE:	No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	No

VETO MESSAGE:	Yes (Conditional)
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes
FOLLOWING WERE PRINTED: To check for circulating copies, contact New Jersey State Governm Publications at the State Library (609) 278-2640 ext.103 or mailto:re	
REPORTS:	No
HEARINGS:	No
NEWSPAPER ARTICLES:	No

RWH/CL

§§1,2 -C.45:22A-45.3 & 45:22A-45.4 §3 - Note

### P.L. 2020, CHAPTER 100, approved September 30, 2020 Senate, No. 908 (Second Reprint)

AN ACT concerning association assessment <sup>1</sup>[and election 1 2 participation]<sup>1</sup> in planned real estate developments, and supplementing P.L.1977, c.419 (C.45:22A-21 et seq.). 3 4 5 **BE IT ENACTED** by the Senate and General Assembly of the State 6 of New Jersey: 7 8 1. The Legislature finds and declares that: 9 a. Certain associations have interpreted that the provisions of 10 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 11 12 assessments and other charges to their associations; and 13 b. It is necessary and in the public interest for the Legislature to clarify that P.L.2017, c.106 (C.45:22A-45.1 et al.) did not impose 14 new responsibilities on property owners to pay assessments and 15 other charges  ${}^{2}$ [<sup>1</sup>, nor did it convert a previously voluntary 16 17 association into a planned real estate development<sup>1</sup>]<sup>2</sup>. 18 2. a. An association in  ${}^{1}$  [communities] <u>a community</u>  ${}^{1}$ 19 established prior to the <sup>1</sup>[passage] <u>effective date</u><sup>1</sup> of the "Planned 20 Real Estate <sup>1</sup>[Financial] Development Full<sup>1</sup> Disclosure Act," 21 ("PREDFDA"), P.L.1977, c.419 (C.45:22A-21 et seq.), shall not be 22 permitted to require property owners to pay assessments and other 23 charges <sup>2</sup>[<sup>1</sup>, unless otherwise provided by law, <sup>1</sup>]<sup>2</sup> where <sup>2</sup>[<sup>1</sup>: 24  $(1)^{1}$ ]<sup>2</sup> the property owner's title record does not impose such an 25 obligation <sup>1</sup>[, unless otherwise provided by law] <sup>2</sup>[; or 26 (2) the property owner's title record establishes such an 27 28 obligation, but it was previously only imposed on property owners 29 who voluntarily elected to join or become members of the 30 association, and not on all property owners<sup>1</sup>. b. <sup>1</sup>In an association within a community established prior to the 31 effective date of PREDFDA, if the association seeks to require one 32 33 or more property owners to pay assessments and other charges 34 where the property owner's title record is subject to the provisions 35 of paragraph (2) of subsection a. of this section, the association

**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 <u>thus</u> is new matter. Matter enclosed in superscript numerals has been adopted as follows: <sup>1</sup>Assembly AHO committee amendments adopted March 5, 2020. <sup>2</sup>Senate amendments adopted in accordance with Governor's recommendations August 27, 2020.

### **S908** [2R]

1 shall first obtain an order of the court of competent jurisdiction, 2 declaring the owners as members of the association and authorizing the association to assess the members of the association.], unless 3 otherwise provided by law.<sup>2</sup> 4 <sup>2</sup>[<u>c.</u><sup>1</sup>] <u>b.</u><sup>2</sup> If <sup>1</sup>, after July 13, 2017, <sup>1</sup> an association has recorded 5 a lien <sup>1</sup>against an owner's property<sup>1</sup> for non-payment <sup>1</sup>[on or after 6 July 13, 2017 that is based solely on the misinterpretation that 7 8 P.L.2017, c.106 imposed new responsibilities on property owners to pay]<sup>2</sup>[of] that is based solely on the misinterpretation that 9 P.L.2017, c.106 imposed new responsibilities on property owners to 10  $pay^2$  an association's<sup>1</sup> assessments or other charges, <sup>1</sup>[pursuant to 11 P.L., c. ) (pending before the Legislature as this bill)] 12 (C. <sup>2</sup>[<u>in contravention of subsection b. of this section</u><sup>1</sup>] pursuant to 13 P.L., c. (C.) (pending before the Legislature as this bill)<sup>2</sup>, 14 15 the lien shall be null and void. The association shall promptly 16 discharge such lien of record and provide notice of this action to the 17 property owner. If an association fails to discharge such null and 18 void lien, the owner may bring an action to have the lien discharged 19 and, if successful, shall be entitled to petition the court for an award 20 of counsel fees. 21 22 3. This act shall take effect immediately and shall be 23 retroactive to July 13, 2017. 24 25 26 27 28 Clarifies association assessment payment requirements in 29 planned real estate developments.

# SENATE, No. 908 STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 27, 2020

Sponsored by: Senator TROY SINGLETON District 7 (Burlington) Senator STEVEN V. OROHO District 24 (Morris, Sussex and Warren)

Co-Sponsored by: Senator O'Scanlon

### **SYNOPSIS**

Clarifies association assessment payment and election participation requirements in planned real estate developments.

#### **CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 1/27/2020)

2

1 AN ACT concerning association assessment and election 2 participation in planned real estate developments, and 3 supplementing P.L.1977, c.419 (C.45:22A-21 et seq.). 4 5 **BE IT ENACTED** by the Senate and General Assembly of the State 6 of New Jersey: 7 8 1. The Legislature finds and declares that: 9 a. Certain associations have interpreted that the provisions of 10 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 11 12 assessments and other charges to their associations; and b. It is necessary and in the public interest for the Legislature to 13 14 clarify that P.L.2017, c.106 (C.45:22A-45.1 et al.) did not impose 15 new responsibilities on property owners to pay assessments and 16 other charges. 17 18 2. a. An association in communities established prior to the 19 passage of the "Planned Real Estate Financial Disclosure Act," 20 ("PREDFDA"), P.L.1977, c.419 (C.45:22A-21 et seq.), shall not be 21 permitted to require property owners to pay assessments and other 22 charges where the property owner's title record does not impose 23 such an obligation, unless otherwise provided by law. 24 b. If an association has recorded a lien for non-payment on or 25 after July 13, 2017 that is based solely on the misinterpretation that 26 P.L.2017, c.106 imposed new responsibilities on property owners to 27 pay assessments or other charges, pursuant to P.L., c. (C. ) 28 (pending before the Legislature as this bill), the lien shall be null 29 and void. The association shall promptly discharge such lien of 30 record and provide notice of this action to the property owner. If an 31 association fails to discharge such null and void lien, the owner may 32 bring an action to have the lien discharged and, if successful, shall 33 be entitled to petition the court for an award of counsel fees. 34 35 3. This act shall take effect immediately and shall be retroactive 36 to July 13, 2017. 37 38 39 **STATEMENT** 40 41 This bill clarifies certain assessment payment and election 42 participation requirements in planned real estate developments. 43 Certain associations have interpreted that the provisions of 44 P.L.2017, c.106 (C.45:22A-45.1 et al.), enacted on July 13, 2017, 45 may impose new responsibilities on certain property owners to pay 46 assessments and other charges to their associations. This bill is 47 meant to clarify 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.

3 The bill establishes that, except as otherwise provided by law, 4 associations in common interest communities ("CICs") that were 5 established prior to the effective date of the "Planned Real Estate Financial Disclosure Act," ("PREDFDA"), P.L.1977, c.419 6 7 (C.45:22A-21 et seq.), are not allowed to require a property owner 8 to pay assessments and other charges, if the property owner's title 9 record does not impose such an obligation. Additionally, the bill 10 establishes that, if an association has recorded a lien for non-11 payment on or after July 13, 2017, and the lien is based solely on misinterpretation that P.L.2017, c.106 imposed 12 the new 13 responsibilities on property owners to pay assessments or other 14 charges, then the lien will be null and void. The bill requires an 15 association that has imposed such a lien to promptly discharge the 16 lien of record and provide notice of this action to the property 17 owner. Under the bill, if an association fails to discharge such a 18 null and void lien, the owner may bring an action to have the lien 19 discharged and, if successful, would be entitled to petition the court 20 for an award of counsel fees.

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

### ASSEMBLY HOUSING COMMITTEE

### STATEMENT TO

### SENATE, No. 908

with committee amendments

### **STATE OF NEW JERSEY**

### DATED: MARCH 5, 2020

The Assembly Housing Committee reports favorably Senate Bill No. 908, with committee amendments.

As amended, this bill clarifies certain assessment payment 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 is meant to clarify 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 also clarifies that P.L.2017, c.106 (C.45:22A-45.1 et al.) did not convert previously voluntary associations into planned real estate developments.

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 Full 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, unless otherwise provided by law, if:

(1) the property owner's title record does not impose such an obligation; or

(2) the property owner's title record establishes such an obligation, but it was previously imposed exclusively on property owners who voluntarily elected to join or become members of the association.

The bill further addresses circumstances in which an association within a community established prior to the effective date of PREDFDA intends to require one or more property owners to pay assessments and other charges when the owner's title record does impose such an obligation, but the obligation was previously imposed exclusively on owners who voluntarily elected to join or become members of the association. In such circumstances, the bill requires the association to first obtain a court order declaring the owners members of the association and authorizing the association to assess the members of the association before assessing payment. Additionally, the bill establishes that, if after July 13, 2017, an association has recorded a lien for non-payment of assessments or other charges, in violation of the bill's provisions, then the lien will 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 would be retroactive to July 13, 2017.

As amended and reported by the committee, this bill is identical to A2480 (1R), which was also amended and reported by the committee on this date.

### **COMMITTEE AMENDMENTS:**

The committee amended the bill to:

- clarify that P.L.2017, c.106 (C.45:22A-45.1 et al.) did not convert previously voluntary associations into planned real estate developments;
- prohibit an association, if established prior to the effective date of PREDFDA, from requiring a property owner to pay assessments and other charges if such obligations, though permitted by the owners' title records, were previously imposed only on owners who voluntarily elected to join the association, unless the association first obtains a court order authorizing the charges; and
- make technical changes.

### 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 nonpayment 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.

# ASSEMBLY, No. 2480 STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

Sponsored by: Assemblywoman CAROL A. MURPHY District 7 (Burlington) Assemblyman HAROLD "HAL" J. WIRTHS District 24 (Morris, Sussex and Warren) Assemblywoman HOLLY T. SCHEPISI District 39 (Bergen and Passaic)

Co-Sponsored by: Assemblyman Space

### SYNOPSIS

Clarifies association assessment payment and election participation requirements in planned real estate developments.

### **CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 3/5/2020)

2

1 AN ACT concerning association assessment and election 2 participation in planned real estate developments, and 3 supplementing P.L.1977, c.419 (C.45:22A-21 et seq.). 4 5 **BE IT ENACTED** by the Senate and General Assembly of the State 6 of New Jersey: 7 8 1. The Legislature finds and declares that: 9 Certain associations have interpreted that the provisions of a. 10 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 11 12 assessments and other charges to their associations; and 13 b. It is necessary and in the public interest for the Legislature to 14 clarify that P.L.2017, c.106 (C.45:22A-45.1 et al.) did not impose 15 new responsibilities on property owners to pay assessments and 16 other charges. 17 18 2. a. An association in communities established prior to the 19 passage of the "Planned Real Estate Financial Disclosure Act," 20 ("PREDFDA"), P.L.1977, c.419 (C.45:22A-21 et seq.), shall not be 21 permitted to require property owners to pay assessments and other 22 charges where the property owner's title record does not impose 23 such an obligation, unless otherwise provided by law. 24 b. If an association has recorded a lien for non-payment on or 25 after July 13, 2017 that is based solely on the misinterpretation that 26 P.L.2017, c.106 imposed new responsibilities on property owners to 27 pay assessments or other charges, pursuant to P.L., c. (C. ) 28 (pending before the Legislature as this bill), the lien shall be null 29 and void. The association shall promptly discharge such lien of 30 record and provide notice of this action to the property owner. If an 31 association fails to discharge such null and void lien, the owner may 32 bring an action to have the lien discharged and, if successful, shall 33 be entitled to petition the court for an award of counsel fees. 34 35 3. This act shall take effect immediately and shall be 36 retroactive to July 13, 2017. 37 38 39 **STATEMENT** 40 41 This bill clarifies certain assessment payment and election 42 participation requirements in planned real estate developments. 43 Certain associations have interpreted that the provisions of 44 P.L.2017, c.106 (C.45:22A-45.1 et al.), enacted on July 13, 2017, 45 may impose new responsibilities on certain property owners to pay 46 assessments and other charges to their associations. This bill is 47 meant to clarify that P.L.2017, c.106 (C.45:22A-45.1 et al.) did not

3

impose new responsibilities on property owners to pay such
assessments and other charges.

3 The bill establishes that, except as otherwise provided by law, 4 associations in common interest communities ("CICs") that were 5 established prior to the effective date of the "Planned Real Estate Financial Disclosure Act," ("PREDFDA"), P.L.1977, c.419 6 7 (C.45:22A-21 et seq.), are not allowed to require a property owner 8 to pay assessments and other charges, if the property owner's title 9 record does not impose such an obligation. Additionally, the bill 10 establishes that, if an association has recorded a lien for non-11 payment on or after July 13, 2017, and the lien is based solely on misinterpretation that P.L.2017, c.106 imposed new 12 the 13 responsibilities on property owners to pay assessments or other 14 charges, then the lien will be null and void. The bill requires an 15 association that has imposed such a lien to promptly discharge the 16 lien of record and provide notice of this action to the property 17 owner. Under the bill, if an association fails to discharge such a 18 null and void lien, the owner may bring an action to have the lien 19 discharged and, if successful, would be entitled to petition the court 20 for an award of counsel fees.

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

### ASSEMBLY HOUSING COMMITTEE

### STATEMENT TO

### ASSEMBLY, No. 2480

with committee amendments

### **STATE OF NEW JERSEY**

### DATED: MARCH 5, 2020

The Assembly Housing Committee reports favorably Assembly Bill No. 2480, with committee amendments.

As amended, this bill clarifies certain assessment payment 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 is meant to clarify 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 also clarifies that P.L.2017, c.106 (C.45:22A-45.1 et al.) did not convert previously voluntary associations into planned real estate developments.

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 Full 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, unless otherwise provided by law, if:

(1) the property owner's title record does not impose such an obligation; or

(2) the property owner's title record establishes such an obligation, but it was previously imposed exclusively on property owners who voluntarily elected to join or become members of the association.

The bill further addresses circumstances in which an association within a community established prior to the effective date of PREDFDA intends to require one or more property owners to pay assessments and other charges when the owner's title record does impose such an obligation, but the obligation was previously imposed exclusively on owners who voluntarily elected to join or become members of the association. In such circumstances, the bill requires the association to first obtain a court order declaring the owners members of the association and authorizing the association to assess the members of the association before assessing payment. Additionally, the bill establishes that, if after July 13, 2017, an association has recorded a lien for non-payment of assessments or other charges, in violation of the bill's provisions, then the lien will 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 would be retroactive to July 13, 2017.

As amended and reported by the committee, this bill is identical to S908 (1R), which was also amended and reported by the committee on this date.

#### **COMMITTEE AMENDMENTS:**

The committee amended the bill to:

- clarify that P.L.2017, c.106 (C.45:22A-45.1 et al.) did not convert previously voluntary associations into planned real estate developments;
- prohibit an association, if established prior to the effective date of PREDFDA, from requiring a property owner to pay assessments and other charges if such obligations, though permitted by the owners' title records, were previously imposed only on owners who voluntarily elected to join the association, unless the association first obtains a court order authorizing the charges; and
- make technical changes.

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 908 (First Reprint) with my recommendations for reconsideration.

New Jersey's Planned Real Estate Development Full Disclosure Act ("PREDFDA") is designed to ensure that those buying into a real estate development in which owners share common elements or interests are on notice of the conditions, costs, and rules associated with living in this type of community. Although various forms of common interest communities have existed in New Jersey since as far back as the Civil War, including many of New Jersey's lake communities, these communities were largely unregulated until the PREDFDA was enacted in the late 1970's.

Recent amendments to the PREDFDA, P.L.2017, c.106, sought to grant association members living in planned real estate developments definitive voting rights in order to promote a more democratic process in the governance of planned communities. Senate Bill No. 908 (First Reprint), which would clarify the legislative intent and scope of P.L.2017, c.106, comes in response to an apparent misinterpretation of the 2017 law among certain lake association communities that pre-date the PREDFDA and have used the law to impose new dues and assessments on owners. The bill would preclude this unintended interpretation by specifying that, if an association did not have authority to compel payment of assessments or other charges prior to the effective date of P.L. 2017, c. 106, or chose not to enforce the collection of dues previously, then a property owner would not be required to pay assessments or dues to the association as a result of the 2017 law. In turn, the association would not be required to provide the property owner with the association membership or voting rights outlined in the 2017 law.

I commend the bill's sponsors for their efforts to shield property owners from surprise assessments and compulsory fees. I certainly agree that the recent revisions to the PREDFDA should not be used to impose upon property owners additional financial responsibilities that they could not reasonably have anticipated. At the same time, however, the interests of these property owners must be carefully balanced against the interests of all other parties, including those property owners who have previously been contributing to their associations.

In an effort to strike a more appropriate balance among all interested parties, I am recommending modest revisions to safeguard the ability of lake associations to collect funds necessary to comply with critical environmental, health, and safety requirements, such as those outlined in the Safe Dam Act, the Stormwater Management Act, the Safe Drinking Water Act, and the Water Pollution Control Act, among others. These revisions will help ensure that associations are able to provide long-term operation and maintenance of dams, stormwater facilities, including stormwater inlets, storm sewers, stormwater basins, and stormwater outfalls owned and operated by the associations, without unfairly shifting the cost of upkeep to a smaller group of members and, potentially, State and local taxpayers.

Therefore, I herewith return Senate Bill No. 908 (First Reprint) and recommend that it be amended as follows:

Page 2, Section 1, Lines 16-17:	Delete ", nor did it convert a previously voluntary association into a planned real estate development"
Page 2, Section 2, Line 24:	Delete ", unless otherwise provided by law,"
Page 2, Section 2, Lines 24-25:	Delete ": (1)"

2

After "obligation" insert ", Page 2, Section 2, Line 26: unless otherwise provided by law." Page 2 Section 2, Line 26: Delete "; or" Page 2, Section 2, Lines 27-38: Delete in their entirety Delete "c." and insert "b." Page 2, Section 2, Line 39: After "non-payment" insert "that is based solely on the Page 2, Section 2, Line 40: misinterpretation that P.L.2017, c.106 imposed new responsibilities on property owners to pay" Page 2, Section 2, Line 42: Delete "of" After "charges," insert "pursuant to P.L. ,c. (C.) (pending before the Page 2, Section 2, Line 43: Legislature as this bill)" Delete "in contravention of subsection b. of this section" Page 3, Section 2, Line 2: Respectfully, /s/ Philip D. Murphy [seal] Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor

3

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 908 (First Reprint) with my recommendations for reconsideration.

New Jersey's Planned Real Estate Development Full Disclosure Act ("PREDFDA") is designed to ensure that those buying into a real estate development in which owners share common elements or interests are on notice of the conditions, costs, and rules associated with living in this type of community. Although various forms of common interest communities have existed in New Jersey since as far back as the Civil War, including many of New Jersey's lake communities, these communities were largely unregulated until the PREDFDA was enacted in the late 1970's.

Recent amendments to the PREDFDA, P.L.2017, c.106, sought to grant association members living in planned real estate developments definitive voting rights in order to promote a more democratic process in the governance of planned communities. Senate Bill No. 908 (First Reprint), which would clarify the legislative intent and scope of P.L.2017, c.106, comes in response to an apparent misinterpretation of the 2017 law among certain lake association communities that pre-date the PREDFDA and have used the law to impose new dues and assessments on owners. The bill would preclude this unintended interpretation by specifying that, if an association did not have authority to compel payment of assessments or other charges prior to the effective date of P.L. 2017, c. 106, or chose not to enforce the collection of dues previously, then a property owner would not be required to pay assessments or dues to the association as a result of the 2017 law. In turn, the association would not be required to provide the property owner with the association membership or voting rights outlined in the 2017 law.

I commend the bill's sponsors for their efforts to shield property owners from surprise assessments and compulsory fees. I certainly agree that the recent revisions to the PREDFDA should not be used to impose upon property owners additional financial responsibilities that they could not reasonably have anticipated. At the same time, however, the interests of these property owners must be carefully balanced against the interests of all other parties, including those property owners who have previously been contributing to their associations.

In an effort to strike a more appropriate balance among all interested parties, I am recommending modest revisions to safeguard the ability of lake associations to collect funds necessary to comply with critical environmental, health, and safety requirements, such as those outlined in the Safe Dam Act, the Stormwater Management Act, the Safe Drinking Water Act, and the Water Pollution Control Act, among others. These revisions will help ensure that associations are able to provide long-term operation and maintenance of dams, stormwater facilities, including stormwater inlets, storm sewers, stormwater basins, and stormwater outfalls owned and operated by the associations, without unfairly shifting the cost of upkeep to a smaller group of members and, potentially, State and local taxpayers.

Therefore, I herewith return Senate Bill No. 908 (First Reprint) and recommend that it be amended as follows:

Page 2, Section 1, Lines 16-17:	Delete ", nor did it convert a previously voluntary association into a planned real estate development"
Page 2, Section 2, Line 24:	Delete ", unless otherwise provided by law,"
Page 2, Section 2, Lines 24-25:	Delete ": (1)"

2

After "obligation" insert ", Page 2, Section 2, Line 26: unless otherwise provided by law." Page 2 Section 2, Line 26: Delete "; or" Page 2, Section 2, Lines 27-38: Delete in their entirety Delete "c." and insert "b." Page 2, Section 2, Line 39: After "non-payment" insert "that is based solely on the Page 2, Section 2, Line 40: misinterpretation that P.L.2017, c.106 imposed new responsibilities on property owners to pay" Page 2, Section 2, Line 42: Delete "of" After "charges," insert "pursuant to P.L. ,c. (C.) (pending before the Page 2, Section 2, Line 43: Legislature as this bill)" Delete "in contravention of subsection b. of this section" Page 3, Section 2, Line 2: Respectfully, /s/ Philip D. Murphy [seal] Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor

3

# Governor Murphy Takes Action on Legislation

09/30/2020

**TRENTON** – Today, Governor Phil Murphy signed the following bills and resolutions into law:

**S-908 wGR/A-2480 (Singleton, Oroho/Murphy, Wirths, Schepisi)** – Clarifies association assessment payment requirements in planned real estate developments.

**S-2436 wGR/A-4012 (Gopal, Greenstein/Mukherji, Benson, Houghtaling)** – Authorizes pharmacists to order and cause to be administered test for coronavirus disease 2019 (COVID-19) or COVID-19 antibodies; requires health benefits and Medicaid coverage for tests.

**SJR-57/AJR-39 (Gopal, Oroho, Greenstein/Houghtaling, Downey, Wirths)** – Designates first week of October of each year as Manufacturing Week.