

40:67-23.2

LEGISLATIVE HISTORY CHECKLIST
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(Condominium services law -
phase in)

NJSA: 40:67-23.2

LAWS OF: 1993

CHAPTER: 6

BILL NO: S1154

SPONSOR(S) Dorsey

DATE INTRODUCED: September 14, 1992

COMMITTEE: ASSEMBLY: ---

SENATE: Community Affairs

AMENDED DURING PASSAGE: Yes Amendments during passage
denoted by asterisks

DATE OF PASSAGE: ASSEMBLY: December 17, 1992

SENATE: November 30, 1992

DATE OF APPROVAL: January 14, 1993

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: No

SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

See newspaper clippings-attached:

"Condo owners freed from 'double taxation'" 1-15-93 Star Ledger

"Florino signs act making cities serve condos." 1-15-93 Asbury Park Press

"Florino OK's law to end condo double taxation," 1-15-93 Asbury Park Press

KEG:pp

[FIRST REPRINT]

SENATE, No. 1154

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 14, 1992

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By Senator DORSEY

1 AN ACT concerning certain municipal services for qualified
2 private communities and amending P.L.1989, c.299.

3
4 BE IT ENACTED by the Senate and General Assembly of the
5 State of New Jersey:

6 ¹[1. Section 1 of P.L.1989, c.299 (C.40:67-23.2) is amended to
7 read as follows:

8 1. For the purposes of [this act] P.L.1989, c.299 (C.40:67-23.2
9 et seq.):

10 a. "Condominium" means the form of real property ownership
11 provided for under the "Condominium Act," P.L.1969, c.257
12 (C.46:8B-1 et seq.);

13 b. "Cooperative" means a housing corporation or association
14 wherein the holder of a share or membership interest in the
15 corporation or association is entitled to possess and occupy, for
16 dwelling purposes, a house, apartment, or other unit of housing
17 owned by the corporation or association, or to purchase a unit of
18 housing constructed or erected by the corporation or association;

19 c. "Fee simple community" means a private community which
20 consists of individually owned lots or units and provides for
21 common or shared elements or interests in real property;

22 d. "Horizontal property regime" means the form of real
23 property ownership provided for under the "Horizontal Property
24 Act," P.L.1963, c.168 (C.46:8A-1 et seq.);

25 e. "Qualified private community" means a residential
26 condominium, cooperative, fee simple community, or horizontal
27 property regime, the residents of which do not receive any tax
28 abatement or tax exemption related to its construction,
29 comprised of a community trust or other trust device,
30 condominium association, homeowners' association, or council of
31 coowners, wherein the cost of maintaining roads and streets and
32 providing essential services is paid for by a not-for-profit entity
33 consisting exclusively of unit owners within the community. No
34 [apartment building or garden apartment complex owned by an
35 individual or entity that receives monthly rental payments from
36 tenants who occupy the premises shall be considered a qualified
37 private community] services, or reimbursement for the cost of
38 services, shall be provided by a municipality to or on behalf of
39 any unit in a qualified private community that is occupied by a
40 tenant. For the purposes of P.L.1989, c.299 (C.40:67-23.2 et
41 seq.), the term "tenant" shall not include a shareholder or

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.

Matter enclosed in superscript numerals has been adopted as follows:
¹ Senate SCO committee amendments adopted November 16, 1992.

1 member of a cooperative, or a co-owner of a horizontal property
2 regime.

3 (cf: P.L.1989, c.299, s.1)]¹

4 ¹[2.] ¹ Section 2 of P.L.1989, c.299 (C.40:67-23.3) is
5 amended to read as follows:

6 2. a. Except as otherwise provided in subsection b. of this
7 section, the governing body of every municipality shall reimburse
8 a qualified private community for the following services as
9 provided in sections 4 and 5 of [this act] P.L.1989, c.299
10 (C.40:67-23.5 and C.40:67-23.6) or provide the following services
11 within a qualified private community in the same fashion as the
12 municipality provides these services on public roads and streets:

13 (1) Removal of snow, ice and other obstructions from the roads
14 and streets;

15 (2) Lighting of the roads and streets, to the extent of payment
16 for the electricity required, but not including the installation or
17 maintenance of lamps, standards, wiring or other equipment; and

18 (3) Collection of leaves[,] and recyclable materials [and
19 garbage] along the roads and streets ¹and the collection or
20 disposal of solid waste along the roads and streets¹.

21 b. Nothing in [this act] P.L.1989, c.299 (C.40:67-23.2 et seq.)
22 shall require a municipality to operate any municipally owned or
23 leased vehicles or other equipment, or to provide any of the
24 services enumerated in subsection a. of this section, upon, along
25 or in relation to any road or street in a qualified private
26 community which either (1) is not accepted for dedication to
27 public use or (2) does not meet all municipal standards and
28 specifications for such dedication, except for width.

29 c. ¹[The collection or disposal of solid waste by a municipality
30 within a qualified private community shall be required only along
31 public streets and roads, that have been dedicated to and
32 accepted by the municipality, pursuant to R.S.40:66-1, and only
33 from receptacles approved by the municipality] The Director of
34 the Division of Local Government Services in the Department of
35 Community Affairs, for the purpose of calculating the allowable
36 operating appropriations before exceptions pursuant to section 2
37 of P.L.1976, c.68 (C.40A:4-45.2), shall provide a cap base
38 adjustment to the total general appropriations of the local budget
39 year prior to the year in which the services are first provided by
40 the municipality for the full amount appropriated pursuant to
41 P.L.1989, c.299 (C.40:67-23.2 et seq.)¹.

42 (cf: P.L.1989, c.299, s.2)

43 ¹[3.] ¹ Section 5 of P.L.1989, c.299 (C.40:67-23.6) is
44 amended to read as follows:

45 5. ¹a.¹ Pursuant to a reimbursement agreement entered into
46 in lieu of providing some or all of the services set forth in section
47 2 of [this bill] P.L.1989, c.299 (C.40:67-23.3), ¹[in each of the
48 first four local budget years beginning on and after the operative
49 date of [this act] P.L.1989, c.299 (C.40:67-23.2 et seq.)]¹, the
50 municipality shall reimburse the qualified private community for
51 a portion of the cost of providing services ¹commencing¹ in
52 ¹[each] local budget year 1993 for municipalities operating on a
53 calendar year basis and in local budget year 1994 for
54 municipalities operating on a fiscal year basis¹ in the following

1 manner:

2 [1991] 1993 ¹or 1994, as appropriate,¹ ...20% of the total cost
3 of services in [1991] 1993 ¹or 1994, as appropriate¹

4 [1992] 1994 ¹or 1995, as appropriate,¹ ...40% of the total cost
5 of services in [1992] 1994 ¹or 1995, as appropriate¹

6 [1993] 1995 ¹or 1996, as appropriate,¹ ...60% of the total cost
7 of services in [1993] 1995 ¹or 1996, as appropriate¹

8 [1994] 1996 ¹or 1997, as appropriate,¹ ...80% of the total cost
9 of services in [1994] 1996 ¹or 1997, as appropriate¹

10 The total cost of services in each local budget year shall be
11 determined pursuant to section 4 of [this act] P.L.1989, c.299
12 (C.40:67-23.5). In local budget year [1995] 1997 ¹or 1998, as
13 appropriate,¹ and for each local budget year thereafter, the
14 municipality shall either provide the services pursuant to section
15 2 of [this act] P.L.1989, c.299 (C.40:67-23.3) or enter into a
16 written agreement to annually reimburse the qualified private
17 community in full pursuant to section 4 of [this act] P.L.1989,
18 c.299 (C.40:67-23.5).

19 ¹b. Notwithstanding the schedule set forth in subsection a. of
20 this section, any municipality that entered into a reimbursement
21 agreement prior to January 1, 1993, shall be permitted to
22 continue in accordance with the schedule in that reimbursement
23 agreement.

24 c. Appropriations by a municipality during the phase-in period
25 in conformance with the implementation schedule set forth in
26 subsections a. or b. of this section shall be considered
27 appropriations mandated by State statute for the purposes of
28 subsection cc. of section 3 of P.L.1976, c.68 (C.40A:4-45.3). The
29 Director of the Division of Local Government Services in the
30 Department of Community Affairs, for the purpose of calculating
31 the allowable operating appropriations before exceptions, shall
32 provide a cap base adjustment to the local budget year in which
33 the 100% level is reached for the full amount appropriated
34 pursuant to P.L.1989, c.299 (C.40:67-23.2 et seq.).¹

35 (cf: P.L.1989, c.299, s.5)

36 ¹3. R.S.40:66-1 is amended to read as follows:

37 40:66-1. a. The governing body may provide for the cleaning
38 of the streets of the municipality, and for the collection or
39 disposal of solid waste, and may establish and operate a system
40 therefor; purchase and operate the necessary equipment for the
41 cleaning of streets, and for the collection or disposal of solid
42 waste; make, amend, repeal and enforce all such ordinances,
43 resolutions, rules and regulations as may be deemed necessary
44 and proper for the introduction, operation and management of
45 such system, and for the maintenance and operation of a solid
46 waste facility, subject to the provisions of the "Solid Waste
47 Management Act," P.L.1970, c.39 (C.13:1E-1 et seq.) and the
48 "Solid Waste Utility Control Act of 1970," P.L.1970, c.40
49 (C.48:13A-1 et seq.), for the disposal of solid waste, and for the
50 government of employees connected therewith.

51 b. A municipal governing body that establishes a system for
52 the collection or disposal of solid waste pursuant to subsection a.
53 of this section, in its discretion, may limit service furnished by it
54 to curbside collection along public streets or roads that have been

1 dedicated to and accepted by the municipality. The municipal
2 governing body may also refuse to enter upon private property to
3 remove solid waste from dumpsters or other containers. The
4 municipal governing body, in its sole discretion, may choose to
5 reimburse those property owners who do not receive the
6 municipal service, but such reimbursement shall not exceed the
7 cost that would be incurred by the municipality in providing the
8 collection or disposal service directly. Nothing contained in this
9 subsection shall be deemed to modify the provisions of P.L.1989,
10 c.299 (C.40:67-23.2 et seq.) with respect to qualified private
11 communities.¹

12 (cf: P.L.1991, c.213, s.1)

13 4. Section 8 of P.L.1989, c.299 is amended to read as follows:

14 8. This act shall take effect immediately and shall remain
15 inoperative until January 1, [1991] 1993.

16 (cf: P.L.1989, c.299, s.8)

17 5. This act shall take effect immediately.

18

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21

22 Provides new phase-in schedule for municipal payments under
23 Condo Services Law.

1 8. This act shall take effect immediately and shall remain
2 inoperative until January 1, [1991] 1993.

3 (cf: P.L.1989, c.299, s.8)

4 5. This act shall take effect immediately.

5
6
7 STATEMENT

8
9 The purpose of this bill is to provide for a new phase-in
10 schedule under P.L.1989, c.299 (C.40:67-23.2 et seq.), commonly
11 referred to as the Condo Services Law. The new schedule is
12 required because court challenges to the original law have
13 delayed its implementation. Under this new schedule, phase-in of
14 municipal payments to qualified private communities would
15 commence January 1, 1993. This bill also amends the effective
16 date of the original act so that it does not become operative until
17 January 1, 1993. The bill amends the definition of a "qualified
18 private community" to make clear the intent of the Legislature
19 that a municipality is not required to provide services to, or
20 reimbursement for services on behalf of, any unit in a qualified
21 private community that is occupied by a tenant. This bill also
22 amends the law to make it clear that the provisions of
23 R.S.40:66-1 supersede the provisions of section 2 of P.L.1989,
24 c.299 (C.40:67-23.3) with respect to the collection or disposal of
25 solid waste in qualified private communities. Under this bill a
26 municipality which offers solid waste collection services
27 generally is only required to provide those collection services to a
28 qualified private community along the streets and roads in that
29 community that have been dedicated to public use. The bill also
30 requires that the waste be contained in receptacles approved by
31 the municipality. A municipality that offers solid waste
32 collection generally will have the sole discretion to provide
33 reimbursement to those property owners who do not receive the
34 municipal service for the cost it would incur to provide that
35 service.

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38
39
40 Provides new phase-in schedule for municipal payments under
41 Condo Services Law.

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1154

with Senate committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 16, 1992

The Senate Community Affairs Committee favorably reports Senate Bill No. 1154 with Senate committee amendments.

Senate Bill No. 1154, as amended by the committee, makes various changes to P.L.1989, c.299 (C.40:67-23.2 et seq.), commonly referred to as the Condo Services Act. Specifically, this bill removes the provision which excluded tenant-occupied units from reimbursement, provides for a new phase-in schedule and establishes 'cap' exceptions for amounts appropriated during the phase-in period.

Senate Bill No. 1154, as amended by the committee, also clarifies that the provisions of section 2 of P.L.1989, c.299 (C.40:67-23.3) supersede the provisions of R.S.40:66-1 with respect to the collection or disposal of solid waste in qualified private communities.

The new phase-in schedule for municipal reimbursement payments is required because court challenges to the original law have delayed its implementation. Under this new schedule, phase-in of municipal payments to qualified private communities would commence January 1, 1993 for municipalities operating on a calendar year basis and in local budget year 1994 for municipalities operating on a fiscal year basis. The bill provides for a cap base adjustment for any amount appropriated by a municipality for the total cost of services for any local budget year until the cost of services for a full year has been included in the cap base. In addition, the bill defines appropriations made during the phase-in period to be a State-mandated expenditure and therefore cap exempt.

The committee amended the bill to delete the exclusion for units occupied by tenants which was contained in the original bill. The committee also amended the bill to correct the phase-in schedule by taking into account municipalities operating on the State fiscal year and add language clarifying that expenditures required by the Condo Services Act are excepted from the cap law until they become part of the cap base.

Law protects districts from cuts in state aid

By KAREN DE MASTERS
and CELESTE E. SMITH
PRESS STAFF WRITERS

TRENTON — The public school funding act signed yesterday by Gov. Florio will give local school officials firm financial aid figures on which to base their budgets for the next school year.

It also guarantees all school districts at least as much state money as they received this year and grants some districts substantial increases.

The law at least temporarily ends the bitter fighting between lawmakers and teachers and between legislators and the governor that has marked the school funding battle for the past three years. In addition, it will give education and financial experts time to make long-range plans for school funding.

The money is only for the 1993-1994 school year, but the law authorizes a bipartisan commission of education and financial experts and community members to devise a permanent school aid solution that will meet Supreme Court guidelines. The commission is to report to the governor by Nov. 15.

Although some local school officials are still saying they may not have enough money to avoid program cuts or tax increases, representatives of all sides of the funding controversy —

teachers, school administrators, education advocates and government officials — praised the stop-gap compromise signed yesterday.

"Everybody came together to come up with a solution," said Asbury Park Superintendent R. Thomas Jannarone, a member of a coalition of education groups formed to devise the funding law.

Matawan-Aberdeen superintendent Kenneth D. Hall, also a coalition member, said the coalition met yesterday after the bill signing to consider the three members it will name to the bipartisan commission. "It's critical that the commission is appointed as soon as possible," Hall said. Florio and the Legislature will appoint the remaining 12 commission members.

Hall said the coalition also discussed plans to sponsor a March retreat, where they will host school funding formula experts to assist in developing the state's new aid plan.

The new law allocates \$165 million in additional funds to the state's 30 poorest school districts, known as special needs districts, while it assures the majority of districts — those in

middle-income communities — of an average 4 percent funding increase. Upper-income districts will receive at least as much as they received this year.

Under the Quality Education Act, the school funding formula established after the state Supreme Court ruled the financial gap between poor and rich district had to be reduced, middle and upper income schools would have lost money.

Education advocate Marilyn Morbecker acknowledged the gap between poor and rich districts has not closed and, in fact, would probably get wider this year. But the new law represents a compromise that will give experts time to work out permanent funding at the same time it increases aid to the 30 poorest districts, she said.

Although the original Quality Education Act, which was pushed through the Legislature by Florio early in his term, was designed as a long-range funding solution, Florio refused to say yesterday that the original law had failed to meet its goal.

"The QEA provided the basic principal" for school funding, he said. The bill signed yesterday "fine tunes the law (and) continues to improve it."

Press staff writer Audrey M. Kelly contributed to this story.

Florio OKs law to end condo double taxation

By DAVID R. MARK
PRESS REAL ESTATE WRITER

MUNICIPALITIES will be required to pay condominium associations for snow removal, garbage pick-up, recycling and street lighting, or provide the services themselves, under a law signed yesterday by Gov. Florio.

The law officially ends what condominium associations called "double taxation," or the practice of condominium owners paying association fees for the services and also paying property taxes, which partly support those services for the rest of the municipality.

The law calls for a five-year phase-in of services or payments starting in January 1993, in increments of 20 percent each year.

Benjamin D. Lambert, president of Community Associations Institute, which led the fight to end double taxation, said 15 percent to 25 percent of an association's budget is allocated for the services, and that the law's passage could mean reimbursements of \$10 to \$30 per unit owner per month after the fifth year.

The money would come out of municipal budgets, and will likely mean higher real estate taxes for non-condominium owners, officials said.

"This is an issue of real estate tax fairness. . . . I believe real estate taxes should be equitable. I'm not offended by it as a homeowner," Lam-

bert said.

William G. Dressel Jr., assistant executive director of the League of Municipalities, which battled the condominium associations in the courts and Legislature, said, "There remain legitimate concerns by municipal officials, and (these concerns) may very well bring about lawsuits." He said he did not know of specific towns planning to sue.

Among possibilities not covered in the law, he said, were single-family homeowners who pay for private garbage removal, or who have a private road within a single-family development for which they pay for snow removal. The law, Dressel said, does not make it clear whether municipalities will have to pay for or provide these services.

The battle over double taxation began in 1989, when then-Gov. Thomas H. Kean signed a law requiring towns to pay for or provide the services.

The law called for a five-year phase-in beginning in 1991, but was struck down by a Superior Court judge in Burlington County in November 1990. It was reinstated by an appellate court in June, 1992, but there was confusion over when the law would take effect.

The law signed yesterday by Gov. Florio represents a compromise ironed out between the state League of Municipalities and a coalition of condominium associations.

- Asbury Park Press
- Courier-Post
- Home News

- Philadelphia Inquirer
- The Press
- The Record

DATE: JAN 19 1993

- Star-Ledger
- Trenton Times
- The Trentonian

Condo law hands towns a dilemma

Provide service, it says, or pick up the tab for it

By **RICHARD COWEN**
Record Staff Writer

A new state law requiring municipalities to provide public services to condominiums is being hailed as a victory for residents of such private complexes, but it poses many financial and political problems for local officials.

Where once they could leave condominium complexes to their own devices, municipalities now have two costly options: offer such services as garbage pickup, snow plowing, and road maintenance, or foot the bill for privately contracted services with phased-in reimbursements.

In North Jersey, the law, which took effect Friday, will have its biggest impact on communities that wholeheartedly embraced the condominium building boom of the 1980s — such towns as Wayne, West Paterson, Mahwah, Ramsey, and Secaucus.

Local officials must negotiate a separate service agreement with each condominium association, and that in itself is seen as a major problem.

"It certainly will put the [mu-

nicipal] budget process in a state of confusion," said William Saunders, business administrator in Mahwah, a municipality with 3,600 condominium units presided over by 10 resident associations. "We have to address needs and desires of each development."

The new law settles claims by the state's 750,000 condominium owners that they were unfairly taxed by their municipalities. They argued they were being taxed at the same rate as other homeowners but were not receiving the same municipal services.

Supporters say the law reinstates fairness and will likely increase the value of condominiums at a time when the market is sagging. But detractors say the law is expensive and opens the door to tedious negotiations.

In a compromise that was built into the law to help communities absorb the new costs over time, reimbursements for contracted service would be phased in over a five-year period. This year, municipalities would have to pick up 20 percent of costs. The percentage will build up in 20 percent increments until 100 percent reimbursement is reached in 1997.

But cost can be just one factor in complying with the law. Although municipalities have the final decision on which option to take, they are vulnerable to pressure from tightly organized complexes.

Secaucus officials are faced with \$200,000 annually in trash-hauling costs at the 1,300-unit Harmon Cove development. But Harmon Cove has thrice-weekly garbage pickup, while Secaucus picks up only twice a week.

Because the law requires only that the same service level be provided to condominium owners, each of the four Harmon Cove resident boards must weigh the advantage of reduced cost against the disadvantage of decreased service.

But because the complexes rep-

resent ready-made voting blocs, they will have leverage in working out a service arrangement.

"We feel we have enough votes to swing an election in town," said Margery Runyan, chairwoman of the joint boards task force at Harmon Cove. Sensing the newfound power of condominium owners, Secaucus Mayor Anthony Just said the borough will follow the letter of the law.

"We'll do what the law requires of us," Just said. "This is our duty and our obligation."

Many other municipalities already are providing condominiums with garbage pickup, considered the most expensive service. Wayne, approaching 2,000 units, and Mahwah extended garbage service several years ago. Now, they must negotiate agreements for snow plowing and road maintenance, as well as recycling and leaf collection.

Planning what services to provide and which ones to reimburse has been complicated by the depressed condominium market. In many communities, there are condominium projects that are unfinished because of financial difficulty or are just getting off the drawing board.

Wayne already has more than 1,500 condominium units, with at least another 500 in the construction or planning stage, Township Administrator Neil Bellert said. Wayne has already decided to reimburse 20 percent of snow-plowing costs in 1993, but other services have yet to be negotiated, he said.

Also, although condominium owners are likely to enjoy a reduction in monthly maintenance fees once they tap into municipal services, they will pay the price in the form of less privacy. Many municipalities, as in Hillsdale and River Edge, are considering taking over private roads before they provide the services. That has led to fears among some condominium owners that their private communities will turn into public thoroughfares.

DATE: JAN 15 1993

Asbury Park Press

Philadelphia Inquirer

Star-Ledger

Trenton Times

The Trentonian

Condo owners freed from 'double taxation'

By IVETTE MENDEZ

Gov. Jim Florio yesterday signed a bill that finally ends a "double tax" imposed on more than 750,000 condo dwellers statewide.

The new law contains compromise amendments allowing implementation of a 1990 law that was intended to either provide condo owners with services such as garbage collection, snow removal and street lighting, or reimburse them for getting those services elsewhere.

But legal challenges had held up enforcement of the 1990 Municipal Services Act, which was designed to phase out the "double tax" imposed on condo owners who pay taxes and condo fees to cover municipal services provided to other residents without charge.

The remedial legislation, effective retroactively to the start of this year, represents a compromise by the New Jersey League of Municipalities and the Community Association Institution (CAI), which represents about 750,000 condo dwellers. The new law ends the legal challenges and finally allows the 1990 law to take effect.

"It's a good practical solution," said Benjamin D. Lambert Jr., president of the state's CAI chapter. His law firm represented the association in court.

"It's probably the biggest issue affecting qualified private communities to be resolved in the history of this state," he said.

William G. Dressel Jr., the League of Municipalities assistant executive director, said the signed bill "will resolve the issues surrounding the condo service act once and for all."

Sen. John H. Dorsey (R-Morris) and Assemblyman Art Albohn (R-Morris) sponsored the legislation.

Under the new law, a five-year phase-in period for reimbursement costs begins this year, instead of 1991 as stated in the original legislation.

It also gives municipalities an exemption from state spending ceilings for the costs of providing the services.

The new law applies to condo units occupied by tenants, an issue that last year was the basis of a court fight.

The Appeals Court on June 29 overturned a lower court decision that declared the 1990 law invalid because it excludes apartment complexes. The municipalities had argued the law was unconstitutional because it excluded apartment complexes without distinguishing between condo owners who live in their homes and those who rent their units to others.

The lower court had agreed that condo owners who rent their units to others are like apartment complex owners and, therefore, the law unconstitutionally excluded apartment owners without reasonable basis.

The three-judge appellate panel, however, said they found no requirement that the statute should be struck down because condo owners who rent to tenants "may not be members of the class that the Legislature hoped to assist."

The municipalities' league had been pursuing an appeal with the state Supreme Court of the June appellate court decision. Dressel said his organization will withdraw its appeal.

He said the new law "represents a fair and workable resolution" that gives towns more flexibility with the mandate, which the league estimates could cost \$100 million.

Under the 1990 law, municipali-

Compromise law ends challenges, allows '90 solution to take effect

ties must either provide a condominium or co-op complex such services as garbage, leaf and recyclable collection, snow removal and street lighting and repair, or else reimburse the residents' associations for the cost.

The law had required a town to increase reimbursement costs to an association by 20 percent annually between 1991 and 1995 until the town was picking up 100 percent of the cost. Under the compromise legislation, the phase-in period begins this year and towns do not have to reimburse condo associations for 1991 and 1992.

Dorsey, the Senate sponsor of the new law, said his legislation was necessary to jumpstart the implementation of the 1990 law.

"While the original legislation has been tied up in court, many condominium owners have not received reimbursement from municipalities in lieu of services that are provided to other residents," Dorsey said.

He added that "rescheduling the start of the reimbursement period represents the best compromise for both parties, where condo owners are assured of either receiving municipal services or reimbursement for the cost of them and municipalities are protected from the threat of retroactive payments."

Albohn, the sponsor in the Assembly, said the law needed to be changed.

"The problems began because condo owners have long complained that they pay fees for snow removal,

street lighting and garbage collection, and then pay property taxes which partly support those services for the rest of the community."

Michael Pesce, president of the Community Management Corp. in Clifton, which oversees 7,500 condo units in 75 communities, lauded the bill signing.

"The condo industry is very happy," Pesce said. "It looks like we're at the end of the road of a long struggle."

He said towns are already contacting his group about their responsibilities under the condo law. "We see some towns finally moving," said Pesce.

Local officials gathered in Freehold on Tuesday for a seminar sponsored by the League of Municipalities during which they were given advice on implementation. They were told that they have to give condominium owners the same service as single-family owners.

- Asbury Park Press
 Courier-Post

- Philadelphia Inquirer
 The Press

- DATE: JAN 15 1993
 Star-Ledger
 Trenton Times

Florio OKs extra \$291M. for schools

■ The bill is a one-year solution and prevents the annual fight over school funding in this election year.

Associated Press

TRENTON — Flanked by Republican legislative leaders and a coalition of education advocates, Gov. Jim Florio on Thursday signed a compromise school funding bill that will pump an extra \$291 million into public schools this year.

The measure is a one-year solution to New Jersey's long-standing school funding problem, and removes the annual fight over funding from this election year.

The bill has the backing of an unusual coalition of major education groups.

For the short term, it provides added dollars for poor and middle-class school districts, and no state aid cuts to rich districts for the 1993-94 school year. For the long term, it sets up a bipartisan commission to develop a permanent solution to school funding.

The bill would once again change Florio's Quality Education Act, enacted in 1990 following a state Supreme Court decision that said New Jersey's system of funding schools discriminated against students in poor urban districts.

The school funding law, designed to pump more state aid to poor school districts and slowly reduce aid to richer districts, was sharply criticized by Republicans who said it would unduly hurt many middle-class districts.

Senate President Donald DiFrancesco, R-Middlesex, Morris, Somerset, Union, said the agreement "will enable this state to meet the challenge of providing equitable funding for our urban school districts without compromising school programs or property tax rates in (other) districts."

The drafting of the measure,

which was announced in December and swiftly approved by both houses of the Legislature, brought together politicians and education advocates who had strong differences over school funding.

Florio and the Legislature

both face election years. Democrats and Republicans said a new school funding war would serve neither party.

But advocates for rich, middle-class and poor schools, as well as teachers and school boards, also softened their rhetoric.

Florio signs act making cities serve condos

Associated Press

TRENTON — Municipal governments will have to start providing services — such as garbage pickup, snow removal and street lighting — to condominium and townhouse communities or reimburse homeowners who pay for it themselves under a bill signed into law Thursday.

Gov. Jim Florio signed the bill without comment.

Under the new law, governments will be responsible this year for picking up the services or reimbursing 20 percent of homeowners' costs. The figure grows by 20 percent each year until the governments are totally responsible in 1997.

The law is meant to end what condo and townhouse owners have called double taxation, where they pay fees for services in their communities and the local government, through property taxes, provides the services to other parts of the community.

"They've been balancing their budgets on our backs," said Phyllis A. Matthey of the Coalition of Associations for Political Action, a homeowners' group. "We've been paying for services for everyone else while we've been denied them. Other people's taxes were artificially kept down."