

# SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

## STATEMENT TO

### **SENATE, No. 2760**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: SEPTEMBER 29, 2022

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 2760.

As amended, this bill supplements the “State Uniform Construction Code Act” (UCCA) to require that certain covered buildings and plans be inspected and reviewed by a structural inspector, as defined in the bill, during the building’s pre-construction, construction, and post-construction phases. In addition, this bill would supplement “The Planned Real Estate Development Full Disclosure Act” (PREDFDA) to assure that associations created under PREDFDA maintain adequate reserve funds to make certain required maintenance repairs to building components and common areas.

Specifically, this bill would supplement the UCCA to require that a structural inspector review the construction plans submitted with a construction application, set forth an inspection schedule to confirm that the primary load bearing system conforms to the building plans, and issue a written report which determines whether the primary load bearing system conforms to the building plans. A certificate of occupancy would not be issued under this bill until the structural inspector’s report confirms that the construction of the primary load bearing system of the building is in conformance with the approved construction plans. Similarly, this bill would preclude the issuance of a certificate of occupancy until any necessary repairs, renovations, alterations, or modifications to the structural components of a covered building are made pursuant to the inspector’s report. Any additional cost to the enforcing agency incurred as a result of inspections required under this bill would be recovered through a fee associated with the construction application.

In addition, this bill would require that an association created under PREDFDA undertake a capital reserve study to identify and assess the adequacy of the association’s capital reserve funds to meet the anticipated costs associated with maintaining the structural integrity of the buildings which the association is obligated to maintain. This capital reserve study would be conducted by a credentialed reserve specialist, or licensed engineer or architect, and would include an analysis of certain provisions enumerated in the bill.

In addition, this bill would require that the association create and fund a plan to ensure that adequate reserve funds are available to repair or replace one or more components of common elements and facilities that the association is obligated to maintain without need to create a special assessment or loan obligation. The bill would also allow an association's executive board to adopt an assessment payable by the owners over one or more fiscal years, or obtain a loan on terms as the board determines to be reasonable, when necessary to fund the cost of corrective maintenance of the primary load bearing system of the planned real estate development. Prior to adopting the assessment, the board would be required to obtain a written report from a licensed engineer or architect explaining that the failure to undertake corrective maintenance of the primary load bearing system would produce certain results enumerated in the bill.

This bill would also require that the developer of a planned real estate development prepare a document setting forth a schedule for the preventative maintenance tasks to be undertaken by the association over the life of the common area components, including, but not limited to, periodic inspections of the structural components of the buildings or common areas that the association is obligated to maintain. This document would also be made available to prospective purchasers or owners of units, parcels, or other interests of the planned real estate development. This preventative maintenance document would also be updated pursuant to the specifications of any structural inspections or reports performed under the UCCA.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to modify the definition of "structural inspector" to eliminate the ability of the enforcing agency and bureau to contract with an engineer, leaving only the covered building owner to contract with an engineer. The amendments also provide that the engineer with whom the covered building owner contracts is required to have the same qualifications required of engineers under contract with the enforcing agency.