

# SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

## STATEMENT TO

### **SENATE, No. 3463**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MAY 8, 2023

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 3463.

As amended, this bill would provide that the placement of the unit, or in the case of a cooperative, shares or proprietary lease, and assets, of an association member of a homeowners' association, condominium association, cooperative, or other planned real estate development (association), into a living, revocable trust fund would not constitute a title transfer for the associations' purposes. Under current State law, the governing documents of some associations could enable the association to derive a financial benefit when an association member sells or transfers a unit, assets, or shares or proprietary lease, including placing their unit into a living, revocable trust. This bill would protect association members and senior citizens living in an association by prohibiting the association from charging any fees due on transfer of ownership by placing the property in a living, revocable trust fund. The bill would permit an association to charge a fee that is reasonably related to the costs incurred by the association in connection with a transfer of ownership.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to provide for the inclusion of the shares or proprietary leases of a cooperative in the ownership interests that would be subject to the bill's restrictions on penalties or fees for transfer. The amendments would also make changes to the scope of the charges subject to the bill's prohibition to include membership fees, capital fees, transfer fees, transfer taxes, or other revenue-raising charges that would be due on transfer of ownership to a living, revocable trust fund. Further, the amendments would enable an association to charge a fee reasonably related to the costs incurred in connection with these transfers of ownership.