

# SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

## STATEMENT TO

### **SENATE, No. 3414**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: FEBRUARY 7, 2019

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 3414, with committee amendments.

As amended, this bill would permit all common interest community associations, other than cooperatives, to record a lien for unpaid assessments, and to provide limited priority over prior recorded mortgages and other liens (except for municipal liens or liens for federal taxes) for nine months-worth of unpaid customary assessments. The bill specifically excludes cooperatives from its provisions.

Under current law, the “Condominium Act,” N.J.S.A.46:8B-21, a condominium association is permitted to file a lien to collect unpaid assessments, and if provided for in the master deed or bylaws, late fees, fines, and reasonable attorney’s fees. The bill extends the ability to file for such a lien to other planned real estate development associations.

Additionally, under current law, six months-worth of delinquent condominium association customary common expense assessments are given a limited priority status over prior recorded mortgages and other liens. This bill extends that lien priority from six to nine months in order to allow associations to collect more of the unpaid assessments following a transfer of title of the dwelling.

#### COMMITTEE AMENDMENTS:

The committee amendments clarify that the lien priority established by the bill would be cumulatively renewed on an annual basis as necessary for both condominium associations and the other planned real estate developments included in the provisions of the bill.