

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 320**

STATE OF NEW JERSEY

DATED: JANUARY 27, 2020

The Senate Community and Urban Affairs Committee reports favorably a Senate Committee Substitute for Senate Bill No. 320.

This committee substitute requires property condition disclosure statements to include questions concerning the presence of lead plumbing and lead service lines in residential properties. The committee substitute also conditions the sale of certain residential properties upon the replacement of lead service lines.

Under current law, a real estate broker, broker-salesperson, or salesperson is exempt from punitive damages and other penalties under the New Jersey Consumer Fraud Act, P.L.1960, c.39 (C.56:8-1 et seq.) when communicating the condition of a residential property if the broker, broker-salesperson, or salesperson relied on information provided in a property condition disclosure statement. The property condition disclosure statement is the form provided by the seller of residential property to the real estate broker, broker-salesperson, or salesperson to disclose certain information before the sale of the property.

The committee substitute requires the property condition disclosure statement to include questions concerning the presence of lead plumbing and lead service lines, respectively, in the residential property. A real estate broker, broker-salesperson, or salesperson who communicates the condition of a residential property to a prospective buyer without obtaining this information from the seller could be liable for providing false, misleading, or deceptive information.

The committee substitute also provides that if a residential property is determined to be served by a service line containing lead before the sale of the property, then the closing of title on the sale of the property cannot occur unless the buyer and seller certify, in writing, that the service line will be replaced as a condition of the sale.