

[Fourth Reprint]

**SENATE, No. 2760**

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**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

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INTRODUCED JUNE 2, 2022

**Sponsored by:**

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**District 7 (Burlington)**

**Senator LINDA R. GREENSTEIN**

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**District 35 (Bergen and Passaic)**

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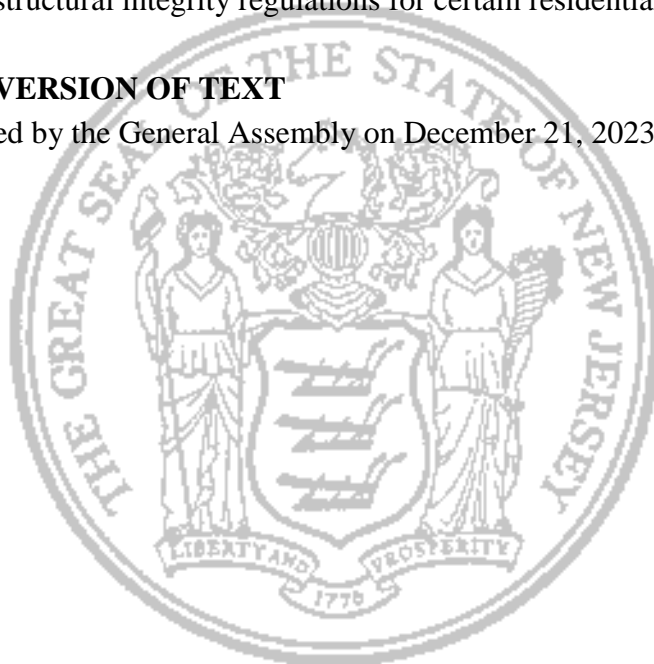
**Senator Johnson**

**SYNOPSIS**

Concerns structural integrity regulations for certain residential buildings.

**CURRENT VERSION OF TEXT**

As amended by the General Assembly on December 21, 2023.



**(Sponsorship Updated As Of: 12/21/2023)**

1 AN ACT concerning structural integrity regulation for certain  
2 residential structures, supplementing P.L.1975, c.217  
3 (C.52:27D-119 et seq.), and amending and supplementing  
4 P.L.1977, c.419.

5  
6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8  
9 1. (New section) The Legislature finds and declares that:  
10 a. The importance of the structural integrity of residential  
11 buildings in New Jersey has become a growing concern for many,  
12 especially in the wake of the tragic collapse of a high-rise,  
13 multifamily housing structure in Florida.

14 b. In light of these growing concerns, it is appropriate for the  
15 Legislature to put in place appropriate procedures for inspecting,  
16 evaluating and maintaining the structural integrity of certain  
17 residential housing structures within this State.

18  
19 2. (New section) As used in this P.L. , c. (C. ) (pending  
20 before the Legislature as this bill):

21 <sup>2</sup>“Balcony” means an extension of the interior living space of the  
22 building that extends outwards from the facade of a covered building  
23 and is exposed to the elements.<sup>2</sup>

24 “Bureau” means the Bureau of Housing Inspection in the  
25 Department of Community Affairs.

26 “Corrective maintenance” means maintenance to be undertaken  
27 following the detection of deterioration of the primary load bearing  
28 system with the goal of remediating the condition reported by the  
29 structural inspector.

30 “Covered building” means a residential <sup>2</sup>condominium or  
31 cooperative<sup>2</sup> building that <sup>2</sup>[is categorized as use group R-1 or use  
32 group R-2, as those terms are defined in N.J.A.C.5:70-1.5, having] has  
33 a primary<sup>2</sup> load bearing <sup>2</sup>system that is comprised of a<sup>2</sup> concrete,  
34 masonry, steel, <sup>2</sup>or<sup>2</sup> hybrid structure including, <sup>2</sup>[but not limited to]  
35 without limitation<sup>2</sup> , heavy timber <sup>2</sup>[.]<sup>2</sup> and a building with podium  
36 decks <sup>2</sup> , but not including an excluded structure<sup>2</sup> .

37 “Covered building owner” means the owner of a covered building,  
38 whose name appears of record with the county clerk or register, or the  
39 association of a common interest community.

40 <sup>2</sup>“Excluded structure” means:

41 (1) International Standardization Organization ISO type 1  
42 construction or frame-built construction with combustible walls 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:

<sup>1</sup>Senate SCU committee amendments adopted September 29, 2022.

<sup>2</sup>Senate SBA committee amendments adopted June 12, 2023.

<sup>3</sup>Senate floor amendments adopted December 11, 2023.

<sup>4</sup>Assembly floor amendments adopted December 21, 2023.

1 roofs, but not including a podium deck on which the frame-built  
 2 construction is situated;

3 (2) a building with ancillary elements that are not part of the  
 4 primary load bearing system such as, but not limited to elevator shafts  
 5 or concrete, masonry, steel or heavy timber that the primary load  
 6 bearing system does not deliver a building's load to the foundation;

7 (3) a building that is not a condominium or cooperative, and  
 8 consists primarily of rental dwellings; or

9 (4) a single-family dwelling.

10 "Podium deck" means a structural slab or deck that transfers  
 11 applied loads from the structure above to the structure below.<sup>2</sup>

12 "Primary load bearing system" means the assemblage of structural  
 13 components within a building <sup>2</sup>comprised of columns, beams, or  
 14 bracing<sup>2</sup> that by contiguous interconnection form a path by which  
 15 external and internal forces applied to the building are delivered to the  
 16 <sup>2</sup>[ground] foundation. The foundation as well as any connected or  
 17 attached balconies shall be included as part of the primary load bearing  
 18 system evaluation<sup>2</sup>.

19 "Structural inspector" means:

20 (1) a construction official, as that term is used in section 8 of  
 21 P.L.1975, c.217 (C.52:27D-126), who is also an engineer licensed by  
 22 the State;

23 (2) an employee of the bureau who is also an engineer licensed by  
 24 the State; or

25 (3) an engineer licensed by the State <sup>1</sup>who has the same  
 26 qualifications required of an engineer under contract with the  
 27 enforcing agency<sup>1</sup> with whom the covered building owner <sup>1</sup>[,  
 28 enforcing agency, or bureau]<sup>1</sup> contracts to perform inspections of  
 29 covered buildings under <sup>4</sup>[sections] section<sup>4</sup> 3 <sup>4</sup>[and 4]<sup>4</sup> of P.L. , c.  
 30 (<sup>4</sup>[C. and]<sup>4</sup> C. ) (pending before the Legislature as this bill).

31

32 <sup>4</sup>[3.(New section) a. When a construction application that  
 33 proposes to create, amend, or modify the primary load bearing  
 34 system<sup>2</sup>[of a covered building]<sup>2</sup> is filed with the enforcing agency  
 35 <sup>2</sup>, the construction permit applicant shall state whether the  
 36 residential building will be a condominium or cooperative, in which  
 37 case<sup>2</sup>, prior to issuing a construction permit, the enforcing agency  
 38 shall consult with a structural inspector <sup>2</sup>designated by the  
 39 construction permit applicant or, in the absence of this designation,<sup>2</sup>  
 40 chosen by the enforcing agency<sup>2</sup>[or covered building owner]<sup>2</sup>,  
 41 and set forth an inspection schedule to confirm that the primary  
 42 load bearing system conforms to the building plans submitted by  
 43 the applicant. Inspection, however, shall not be required pursuant  
 44 to this subsection as a condition of construction permit issuance if  
 45 the structural inspector determines that the building is not a covered  
 46 building. <sup>2</sup>If the construction permit applicant does not state at the

1 time of application, or prior to the first occupancy creating a  
2 condominium or cooperative, that the building shall be a  
3 condominium or cooperative, then no certificate of occupancy shall  
4 be issued for any individual unit in the building until the required  
5 inspections of the primary load bearing system have occurred.<sup>2</sup>

6 b. Inspections conducted pursuant to the schedule set forth in  
7 subsection a. of this section shall be performed under the direction  
8 of a construction structural inspector. The construction structural  
9 inspector may be assisted by other licensed professionals qualified  
10 in various special disciplines, including but not limited to  
11 geotechnical and civil engineering practices, as needed to conduct  
12 the structural inspections required by this section.

13 c. In conducting inspections pursuant to subsections a. and b.  
14 of this section, the construction structural inspector shall review the  
15 construction plans submitted with the construction application, and  
16 issue a written report determining whether the primary load bearing  
17 system conforms to the building plans. If the construction  
18 structural inspector determines that the primary load bearing system  
19 is not in conformance with the building plans, the applicant shall  
20 provide additional plans which show conformance with a  
21 modification to the primary load bearing system. No certificate of  
22 occupancy shall be issued pursuant to section 15 of P.L.1975, c.217  
23 (C.52:27D-133), until the structural inspector issues a written report  
24 which confirms that the construction of the primary load bearing  
25 system of the building is in conformance with the approved  
26 construction plans.

27 d. The creation of, or repair, renovation, alteration, or  
28 modification to the primary load bearing system of a covered  
29 building required pursuant to any inspection shall be conducted by a  
30 construction structural inspector prior to the issuance of a certificate  
31 of occupancy required pursuant to section 15 of P.L.1975, c.217  
32 (C.52:27D-133).

33 e. Any additional cost to the enforcing agency incurred as a  
34 result of inspections made under this section shall be recovered  
35 through a fee associated with the construction application of a  
36 covered building which shall be paid by the covered building owner  
37 during the application process.

38 f. The commissioner shall adopt rules and regulations,  
39 pursuant to the provisions of the "Administrative Procedure Act,"  
40 P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of  
41 this section.]<sup>4</sup>

42

43 <sup>4</sup>[4.] 3.<sup>4</sup> (New section) a. Following the issuance of a  
44 certificate of occupancy, an initial structural inspection of the  
45 building components forming the primary load bearing system of a  
46 covered building shall be undertaken by a post-occupancy structural

1 inspector retained by the covered building owner within the earlier  
2 of:

3 (1) 15 years of the date on which the covered building receives a  
4 certificate of occupancy pursuant to section 15 of P.L.1975, c.217  
5 (C.52:27D-133); or

6 (2) 60 days after observable damage to the primary load bearing  
7 system.

8 <sup>2</sup>b.<sup>2</sup> If a covered building has received a certificate of occupancy  
9 pursuant to section 15 of P.L.1975, c.217 (C.52:27D-133) prior to  
10 the effective date of P.L. , c. (C. ) (pending before the  
11 Legislature as this bill), then an initial structural inspection shall be  
12 undertaken by a structural inspector <sup>2</sup>[within two years of] based  
13 on the number of years the certificate of occupancy preceded<sup>2</sup> the  
14 effective date of P.L. , c. (C. ) (pending before the  
15 Legislature as this bill) <sup>2</sup>, as provided in this subsection. If the  
16 certificate of occupancy was provided:

17 (1) one day to <sup>3</sup>[five] 14<sup>3</sup> years <sup>3</sup>and 364 days<sup>3</sup> prior to the  
18 effective date of P.L. , c. (C. ) (pending before the  
19 Legislature as this bill), then the structural inspection shall occur  
20 within <sup>3</sup>[six years following the effective date of P.L. ,  
21 c. (C. ) (pending before the Legislature as this bill)] one year  
22 of the date 15 years following the date of the issuance of the  
23 certificate of occupancy<sup>3</sup> ; <sup>3</sup>or<sup>3</sup>

24 (2) <sup>3</sup>[five years and one day to ten years.] 15 or more years<sup>3</sup>  
25 prior to the effective date of P.L. , c. (C. ) (pending before  
26 the Legislature as this bill), then the structural inspection shall  
27 occur within <sup>3</sup>[four] two<sup>3</sup> years following the effective date of  
28 P.L. , c. (C. ) (pending before the Legislature as this bill)  
29 <sup>3</sup>[; or

30 (3) ten years and one day or longer prior to the effective date of  
31 P.L. , c. (C. ) (pending before the Legislature as this bill),  
32 then the structural inspection shall occur within two years following  
33 the effective date of P.L. , c. (C. ) (pending before the  
34 Legislature as this bill)]<sup>3</sup>.

35 c. A building that <sup>3</sup>[is proposed to be] has been<sup>3</sup> converted to  
36 a condominium or cooperative form of ownership after the effective  
37 date of P.L. , c. (C. ) (pending before the Legislature as this  
38 bill) shall, as part of the process of registering the project pursuant  
39 to the “Planned Real Estate Development Full Disclosure Act,”  
40 P.L.1977, c.419 (C.45:22A-21 et seq.) and the regulations  
41 promulgated thereunder, be required to <sup>3</sup>[have an inspection of the  
42 primary load bearing system conducted in in conformity with  
43 subsections d., e., and f. of this section, and a copy of the written  
44 inspection shall be included in the project’s public offering  
45 statement<sup>2</sup>] follow the schedule of inspections provided in  
46 paragraphs (1) and (2) of subsection b. of this section<sup>3</sup>.

1       <sup>2</sup>**[b.] d.**<sup>2</sup> After the post-occupancy structural inspector has  
2 performed an inspection pursuant to subsection a. of this section,  
3 the post-occupancy structural inspector shall issue a written report  
4 describing the condition of the primary load bearing system. The  
5 post-occupancy structural inspection report shall:

6       (1) set forth with specificity any required maintenance or repairs  
7 needed by the primary load bearing system;

8       (2) determine when the next inspection of the primary load  
9 bearing system shall be performed, but in no event shall a  
10 secondary inspection occur more than the earlier of: (a) 10 years  
11 after the initial inspection has taken place; or (b) not more than 60  
12 days after there is observable damage to the primary load bearing  
13 system;

14       (3) be provided to the municipal appointing authority, the  
15 construction official and the enforcing agency;

16       (4) be prepared in accordance with the protocol established by  
17 the American Society of Civil Engineers, for the structural  
18 condition assessment of a covered building or a similar protocol by  
19 another nationally recognized structural engineering organization;  
20 and

21       (5) provide any other information or guidance necessary to  
22 maintain the structural integrity of a covered building.

23       <sup>2</sup>**[c.] e.**<sup>2</sup> If the structural inspector's report created pursuant to  
24 subsection <sup>2</sup>**[b.] d.**<sup>2</sup> of this section finds that corrective  
25 maintenance of the primary load bearing system is required, the  
26 report shall specify with reasonable detail the required corrective  
27 maintenance.

28       <sup>2</sup>**[d.] f.**<sup>2</sup> Notwithstanding the structural inspector's initial  
29 inspection and report undertaken pursuant to subsections a. through  
30 <sup>2</sup>**[c.] e.**<sup>2</sup> of this section, subsequent structural inspections and  
31 reports shall be provided for as set forth by the structural  
32 inspector's preceding report as follows:

33       (1) The structural inspector <sup>3</sup>**[will]** shall<sup>3</sup> determine a  
34 reasonable period of time within which the next inspection shall  
35 take place provided, however, that any subsequent inspection under  
36 this paragraph shall not take place <sup>3</sup>**[**:

37       (a) more than 10 years after a preceding inspection during the  
38 first 20 years following issuance of a certificate of occupancy of a  
39 covered building; or

40       (b) <sup>3</sup>**]** more than five years after a preceding inspection <sup>3</sup>**[if the**  
41 covered building is more than 20 years old <sup>3</sup>**]**.

42       (2) The structural inspector shall review the preceding  
43 inspection report prior to undertaking subsequent inspection of the  
44 covered building. After the structural inspector completes this  
45 review and inspection, the structural inspector will then issue a  
46 subsequent inspection report which shall:

47       (a) make note of any new or progressive deterioration;

1 (b) set forth the covered maintenance required to address any  
2 new or progressive deterioration; and

3 (c) be provided to the covered building owner, who shall  
4 undertake measures necessary to effectuate the covered  
5 maintenance, including, but not limited to, engaging the services of  
6 an architect or engineer licensed by the State and qualified in  
7 structural repairs or maintenance to create plans or specifications to  
8 implement the covered maintenance. The covered building owner  
9 shall cause any plans or specifications created pursuant to this  
10 subparagraph to be filed with the municipal appointing authority or  
11 enforcing agency.

12 (3) If the post-occupancy structural inspector's inspection finds  
13 that there is no need for corrective maintenance, the written report  
14 shall be filed with the enforcing agency or municipal appointing  
15 authority.

16 (4) Any written reports issued by the post-occupancy structural  
17 inspector pursuant to this section shall be provided to the covered  
18 building's owner and shall be made available to any resident of a  
19 covered building upon request.

20 <sup>2</sup>[e.] <sup>g.</sup> Inspections conducted pursuant to this section may be  
21 conducted in conjunction with other required inspections, including  
22 but not limited to inspections required pursuant to the "Hotel and  
23 Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.).  
24

25 <sup>4</sup>[5.] <sup>4.</sup> (New section) A <sup>4</sup>[construction or] <sup>4</sup> post-occupancy  
26 structural inspector who performs the duties set forth in <sup>4</sup>[sections]  
27 section <sup>4</sup> 3 <sup>4</sup>[and 4] <sup>4</sup> of P.L. , c. ( <sup>4</sup>[C. and] <sup>4</sup> C. )  
28 (pending before the Legislature as this bill) in good faith and  
29 pursuant to the protocols adopted by the American Society of Civil  
30 Engineers, or similar protocols by another nationally recognized  
31 structural engineering association, shall not incur any civil liability  
32 for injury associated with any inspection undertaken by the  
33 structural inspector.  
34

35 <sup>4</sup>[6.] <sup>5.</sup> Section 6 of P.L.1977, c. 419 (C.45:22A-26) is  
36 amended to read:

37 6. a. Unless otherwise exempted:

38 (1) No developer may offer or dispose of any interest in a planned  
39 real estate development, prior to the registration of such development  
40 with the agency.

41 (2) No developer may dispose of any lot, parcel, unit, or interest in  
42 a planned real estate development, unless he: delivers to the purchaser  
43 a current public offering statement, on or before the contract date of  
44 such disposition.

45 b. Any contract or agreement for the purchase of any parcel, lot,  
46 unit, or interest in a planned real estate development may be canceled  
47 without cause by the purchaser by sending or delivering written notice

1 of cancellation by midnight of the seventh calendar day following the  
2 day on which the purchaser has executed such contract or agreement.  
3 Every such contract or agreement shall contain, in writing, the  
4 following notice in 10-point bold type or larger, directly above the  
5 space provided for the signature of the purchaser:

6 "NOTICE TO THE PURCHASER: you have the right to cancel  
7 this contract by sending or delivering written notice of cancellation to  
8 the developer by midnight of the seventh calendar day following the  
9 day on which it was executed. Such cancellation is without penalty,  
10 and any deposit made by you shall be promptly refunded in its  
11 entirety."

12 c. Notice as required in subsection b. shall, in addition to all other  
13 requirements, be conspicuously located and simply stated in the public  
14 offering statement.

15 d. The developer shall make copies of the public offering  
16 statement freely available to prospective purchasers prior to the  
17 contract date of disposition.

18 e. The developer shall make copies of any written report or  
19 document prepared pursuant to sections 3 <sup>4</sup>[, 4,]<sup>4</sup> or <sup>4</sup>[10] <sup>9</sup>  
20 of P.L. , c. (C. <sup>4</sup>[, C. ,]<sup>4</sup> or C. ) (pending before the  
21 Legislature as this bill) available to prospective purchasers prior to the  
22 contract date of disposition.

23 (cf: P.L.1977, c.419, s.6)

24  
25 <sup>4</sup>[7.] <sup>6</sup> (New section) a. Any association <sup>2</sup>[created pursuant to  
26 P.L.1977, c.419 (C.45:22A-21 et seq.)] of a planned real estate  
27 development<sup>2</sup> shall undertake and fund a capital reserve study which  
28 shall determine or assess the adequacy of the association's capital  
29 reserve funds to meet the anticipated costs of replacement or repair of  
30 the capital assets of a common interest community that the association  
31 is obligated to maintain. All capital reserve studies shall be prepared  
32 in conformity with the latest edition of the National Reserve Study  
33 Standards of the Community Associations Institute or similar  
34 standards by another recognized national organization. A capital  
35 reserve study conducted pursuant to this section shall be performed or  
36 overseen by a reserve specialist who is credentialed through the  
37 <sup>2</sup>[Association of Professional Reserve Analysts] Community  
38 Associations Institute<sup>2</sup> or an engineer or architect who is licensed by  
39 the State and shall include, but be not limited to, the following:

40 (1) the association's capital reserve fund balances;

41 (2) the association's anticipated income and expenses;

42 (3) an analysis of the physical status and of the common area  
43 components of the buildings and other common areas that the  
44 association is obligated to maintain;

45 (4) the anticipated costs associated with the building maintenance,  
46 as well as the anticipated costs of repair or replacement of common  
47 area building components, which are necessary to maintain the



1 structural integrity of the buildings and other common area  
2 components that the association is obligated to maintain;

3 (5) a reasonable estimate of the cost of <sup>2</sup>;

4 (a) <sup>2</sup> future reserve studies <sup>2</sup>[or] ;

5 (b) reserve study<sup>2</sup> updates <sup>2</sup>; and

6 (c) periodic structural inspections required pursuant to section  
7 <sup>4</sup>[4] <sup>3</sup> of P.L. , c. (C. ) (pending before the Legislature as this  
8 bill<sup>2</sup>;

9 (6) a reasonable estimate of the costs associated with  
10 implementing any corrective maintenance deemed necessary pursuant  
11 to section <sup>4</sup>[4] <sup>3</sup> of P.L. , c. (C. ) (pending before the  
12 Legislature as this bill);

13 (7) a proposed 30-year funding plan, as described in section <sup>4</sup>[8]  
14 <sup>7</sup> of P.L. , c. (C. ) (pending before the Legislature as this bill)  
15 that establishes the adequate proposed capital reserve funding over a  
16 30-year time period; and

17 (8) any other information necessary to perform an analysis of the  
18 adequacy of the association's capital reserve funds relative to  
19 maintaining the structural integrity of buildings and common areas  
20 which the association is obligated to maintain.

21 b. Associations which have not undertaken a reserve study within  
22 five years of the effective date of P.L. , c. (C. ) (pending  
23 before the Legislature as this bill) shall undertake a reserve study  
24 within one year of the effective date of P.L. , c. (C. ) (pending  
25 before the Legislature as this bill). Associations formed after the  
26 effective date of P.L. , c. (C. ) (pending before the Legislature  
27 as this bill) shall undertake a reserve study as soon as practicable after  
28 the election of a majority of an executive board pursuant to section 5  
29 of P.L.1983, c.30 (C.45:22A-47), but in no event shall such study be  
30 undertaken more than two years following the election of a majority of  
31 the executive board under section 5 of P.L.1983, c.30 (C.45:22A-47).

32 c. A covered building owner <sup>2</sup>, as defined in section 2 of  
33 P.L. , c. (C. ) (pending before the Legislature as this bill),<sup>2</sup>  
34 shall ensure that a capital reserve study conducted pursuant to this  
35 section shall be reviewed by a licensed architect, engineer, or  
36 credentialed reserve specialist, and that a capital reserve study be  
37 conducted and reviewed at least once every five years.

38 d. This section shall not apply to an association <sup>2</sup>[created  
39 pursuant to P.L.1977, c.419 (C.45:22A-21 et seq.)] of a planned real  
40 estate development<sup>2</sup> with less than \$25,000 in total common area  
41 capital assets.

42  
43 <sup>4</sup>[8.] <sup>7.</sup><sup>4</sup> (New section) a. An association <sup>2</sup>[created pursuant to  
44 P.L.1977, c.419 (C.45:22A-21 et seq.)] of a planned real estate  
45 development<sup>2</sup> shall obtain a reserve study including a 30-year funding  
46 plan in order to ensure that the association has adequate reserve funds

1 available to repair or replace the capital assets located on the common  
2 elements and facilities that the association is obligated to maintain  
3 without need to create a special assessment or loan obligation, except  
4 that in those cases in which a capital asset reaches the end of its  
5 established useful life earlier than predicted by the reserve study,  
6 nothing herein is intended to prevent the imposition of a special  
7 assessment or obtaining a loan. These reserve funds shall be used for  
8 the repair or replacement of components that have reached the end of  
9 their established useful life as set forth in the most recent reserve study  
10 undertaken pursuant to section <sup>4</sup>~~7~~<sup>6</sup> of P.L. , c. (C. )  
11 (pending before the Legislature as this bill).

12 b. When an expenditure of the reserve funds is required to repair  
13 or replace a component pursuant to subsection a. of this section, the  
14 association shall use only the amount of reserve funds allocated by the  
15 reserve study to make such repair or replacement, unless:

16 (1) the use of such additional funds from the reserve fund is not  
17 reasonably anticipated to prevent or interfere with the ability of the  
18 association to undertake additional repairs or replacements in the five  
19 years subsequent to the additional expenditure; and

20 (2) the association's executive board adopts a written resolution  
21 requiring that the expenditure of these additional funds shall be  
22 recovered within the following <sup>2</sup>~~three~~<sup>five</sup> fiscal years.

23 c. If an association existing as of the effective date of P.L. , c.  
24 (C. ) (pending before the Legislature as this bill) does not have an  
25 adequate reserve fund as described in subsection a. of this section, and  
26 the increase in the association's budget line item for reserve funding to  
27 render it adequate as set forth in the reserve study would, without  
28 reference to any other budget line item adjustments, require an  
29 increase of more than 10 percent of the previous year's common  
30 expense assessment, the deficiency shall be made adequate within the  
31 <sup>2</sup>earlier of the following <sup>2</sup>~~five~~<sup>10</sup> fiscal years, <sup>2</sup>provided that  
32 each or the projected date predicted by the reserve study by which  
33 absent increased funding, the balance in the association's reserve  
34 account would fall below zero. In either case, the<sup>2</sup> annual increase in  
35 reserve funding during the <sup>2</sup>~~following five fiscal years~~<sup>2</sup> required  
36 period of time<sup>2</sup> shall be an equal annual line item increase in the  
37 reserve fund until the reserve fund is made adequate, notwithstanding  
38 causing an increase of more than 10 percent in the annual common  
39 expense assessment.

40 d. If an association existing as of the effective date of P.L. , c.  
41 (C. ) (pending before the Legislature as this bill) does not have an  
42 adequate reserve fund as described in subsection a. of this section, and  
43 the increase in the association's budget line item for reserve funding to  
44 render it in conformity with the reserve study would, without reference  
45 to any other item adjustments, require an increase of less than 10  
46 percent of the previous year's common expense assessment, the

1 deficiency shall be made adequate within the following two fiscal  
2 years.

3  
4 **4[9.] 8.4** (New section) a. Notwithstanding the terms of a  
5 declaration, master deed, bylaws, or other governing document of an  
6 association, the executive board may, without the consent of the  
7 owners or approval of a developer selling units in the planned real  
8 estate development, adopt an assessment payable by the owners over  
9 one or more fiscal years or obtain a loan on such terms as the board  
10 determines are reasonable, whenever necessary to fund the cost of  
11 corrective maintenance of the primary load bearing system of the  
12 planned real estate development pursuant to section **4[4] 34**  
13 of P.L. , c. (C. ) (pending before the Legislature as this bill).  
14 Prior to adopting an assessment or obtaining a loan under this section,  
15 the executive board shall make a determination that the assessment or  
16 loan are necessary to maintain structural integrity of a building and  
17 shall obtain a written report from an engineer or architect licensed by  
18 the State that states that the failure to undertake corrective  
19 maintenance of the primary load bearing system will:

20 (1) constitute an imminent or reasonably foreseeable hazard to  
21 health or safety;

22 (2) constitute a violation of **4[sections] section4 3 4[and 4]4** of  
23 P.L. , c. ( **4[C. and]4 C. )** (pending before the Legislature  
24 as this bill), or

25 (3) will result in a material increase in the cost of such corrective  
26 maintenance if delayed.

27 b. Nothing in this section shall prevent or interfere with the right of  
28 an association to pursue a lawsuit concerning claims for construction  
29 defects related to any common element of the planned real estate  
30 development.

31  
32 **4[10.] 9.4** (New section) The developer shall prepare a  
33 document which sets forth the preventative maintenance tasks to be  
34 undertaken by the association over the life of the common area  
35 components. This preventative maintenance document shall provide  
36 the maintenance schedule and timing for preventative maintenance,  
37 including, but not limited to, periodic inspections of the structural  
38 components of the buildings or common areas which the association  
39 is obligated to maintain. The developer shall include within the  
40 budget prepared in accordance with the rules and regulations  
41 adopted pursuant to section 15 of P.L.1977, c.419 (C.45:22A-35) all  
42 operating expenses associated with the preventative maintenance set  
43 forth in the preventative maintenance document prepared pursuant  
44 to this section. The preventative maintenance document shall be  
45 updated at the completion of any structural inspections performed  
46 pursuant to **4[section 3 of]4** P.L. , c. (C. ) (pending before

1 the Legislature as this bill) in order to reflect and address any  
2 required corrective maintenance.

3  
4 <sup>4</sup>~~11.~~ 10.<sup>4</sup> (New section) Within 60 days after the conveyance of  
5 75 percent of the lots, parcels, units or interests, the developer shall  
6 relinquish control of the association, and the unit owners shall accept  
7 control, as required by section 5 of P.L.1993, c.30 (C.45:22A-47). At  
8 that time, the developer shall also deliver to the association all  
9 property of the unit owners and of the association held or controlled by  
10 the developer, including, but not limited to, the following items, if  
11 applicable, as to each lot, parcel, unit or interest operated by the  
12 association:

13 a. A photocopy of the recorded master deed or declaration and all  
14 amendments thereto, certified by affidavit of the developer, or an  
15 officer or agent of the developer, as being a complete copy of the  
16 actual master deed.

17 b. A certified copy of the association's articles of incorporation, or  
18 if not incorporated, then copies of the documents creating the  
19 association.

20 c. A copy of the bylaws and all amendments thereto, certified by  
21 affidavit of the developer, or an officer or agent of the developer, as  
22 being a complete copy of the bylaws.

23 d. A preventative maintenance document or manual created by the  
24 developer pursuant to section <sup>4</sup>~~10.~~ 9<sup>4</sup> of P.L. , c. (C. )  
25 (pending before the Legislature as this bill) which sets forth a schedule  
26 for monitoring on a periodic basis the structural integrity of the  
27 buildings' primary load bearing system.

28 e. The minute books, including all minutes, and other books and  
29 records of the association, if any.

30 f. Any house rules and regulations which have been promulgated.

31 g. Resignations of officers and members of the governing board or  
32 other form of administration who are required to resign because the  
33 developer is required to relinquish control of the association.

34 h. An accounting for all association funds, including capital  
35 accounts and contributions as of the date of the election of a majority  
36 of the executive board members.

37 i. Association funds or control thereof.

38 j. All tangible personal property that is property of the association,  
39 represented by the developer to be part of the common elements or  
40 ostensibly part of the common elements, and an inventory of that  
41 property.

42 k. A copy of the plans and specifications utilized in the  
43 construction or remodeling of improvements and the supplying of  
44 equipment to the planned real estate development, including plans  
45 setting forth all field changes impacting any component of the primary  
46 load bearing system and in the construction and installation of all  
47 mechanical components serving the improvements and the site, with a

1 certificate in affidavit form of the developer, his agent, or an architect  
2 or engineer authorized to practice in this State that such plans and  
3 specifications represent, to the best of their knowledge and belief, the  
4 actual plans and specifications utilized in the construction and  
5 improvement of the condominium property and for the construction  
6 and installation of the mechanical components serving the  
7 improvements.

8 l. Insurance policies.

9 m. Copies of any certificates of occupancy which may have been  
10 issued for the planned real estate development property.

11 n. Any other permits issued by governmental bodies applicable to  
12 the planned real estate development property in force or issued within  
13 one year prior to the date the unit owners other than the developer take  
14 control of the association.

15 o. All written warranties of the contractor, subcontractors,  
16 suppliers, and manufacturers, if any, that are still effective.

17 p. A roster of unit owners and their addresses and telephone  
18 numbers, if known, as shown on the developer's records.

19 q. Leases of the common elements and other leases to which the  
20 association is a party.

21 r. Employment contracts, management contracts, maintenance  
22 contracts, contracts for the supply of equipment or materials, and  
23 service contracts in which the association is one of the contracting  
24 parties and maintenance contracts and service contracts in which the  
25 association or the unit owners have an obligation or responsibility,  
26 directly or indirectly, to pay some or all of the fee or charge of the  
27 person or persons performing the service.

28 s. All other contracts to which the association is a party.

29

30 <sup>4</sup>**[12.]** 11.<sup>4</sup> This act shall take effect immediately.