

CHAPTER 362

AN ACT concerning private residential leasehold communities, including the right of first refusal and purchase for certain resident homeowners, amending and supplementing P.L.1991, c.483, amending P.L.1977, c.419, and repealing sections 6 through 9 of P.L.1991, c.483.

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

1. Section 1 of P.L.1991, c.483 (C.46:8C-10) is amended to read as follows:

C.46:8C-10 Definitions.

1. a. For the purposes of P.L.1991, c.483 (C.46:8C-10 et seq.):

"Campground facility" means real property designed and used for the purpose of renting or leasing individual portions thereof to occupants who are to have access for the purposes of camping and the recreation associated therein, which may not be used as a permanent dwelling place or domicile for occupants, other than by the owner, and upon which recreational vehicles, as defined in this section, in excess of 400 square feet, and mobile homes and manufactured homes, as those terms are defined in section 3 of the "Manufactured Home Taxation Act," P.L.1983, c.400 (C.54:4-1.4), in excess of 400 square feet, may not enter.

"Camping trailer" means a recreational vehicle that is mounted on wheels and constructed with collapsible partial side walls that fold for towing and unfold for use.

"Department" means the Department of Community Affairs.

"Family member" means a landowner or landowner's spouse, or a child, parent, or grandparent of the landowner or landowner's spouse, or a descendent of any such person. A "family member" shall include all such persons, whether of the whole or the half blood and whether related by blood or adoption.

"Fifth-wheel trailer" means a recreational vehicle designed to be towed by a motorized vehicle containing a towing mechanism mounted above or forward of the tow vehicle's rear axle.

"Landowner" or "private residential leasehold community landowner" means the owner of the land and infrastructure making up a private residential leasehold community.

"Motor home" means a recreational vehicle built on or permanently attached to a self-propelled motor vehicle chassis, chassis cab, or van that is an integral part of the completed vehicle.

"Owner" means the person or persons having legal authority to permit the occupancy of a campground facility.

"Park trailer" means a recreational vehicle that is built on a single chassis mounted on wheels and certified by the manufacturer as complying with the American National Standards Institute (ANSI) standard A119.5.

"Private residential leasehold community" means a community on a parcel of land, or two or more contiguous parcels of land, containing no fewer than 10 home sites where such sites are under common ownership and control, other than a cooperative or a campground facility, for the purpose of leasing such sites to the owners of certain homes, including, but not limited to, mobile homes and manufactured homes as those terms are defined in section 3 of the "Manufactured Home Taxation Act," P.L.1983, c.400 (C.54:4-1.4), and specifically including homes constructed entirely or partly on site, the location and use of which may or may not be permanent, and where the owner or owners of the land provide services to the homeowners, which are provided by the municipality in which the community is located for the property owners outside the community, which services may include, but shall not be limited to:

- (1) The construction and maintenance of streets;
- (2) Lighting of streets and other common areas;

- (3) Garbage removal;
- (4) Snow removal; and
- (5) Provisions for the drainage of surface water from home sites and common areas.

"Recreational vehicle" means a vehicular-type unit primarily designed as temporary living quarters for recreational camping or travel use. The vehicle shall have either its own motive power or be mounted on or towed by another vehicle. Recreational vehicles include, but are not limited to, camping trailers, fifth-wheel trailers, motor homes, park trailers, travel trailers, and truck campers.

"Resident homeowner" means a person who owns a home in a private residential leasehold community and who resides in the home or who has a family member residing in the home.

"Resident homeowner group" or "group" means any organization, group, or association, formal or informal, including a corporation or cooperative, that consists of and is governed by resident homeowners in the private residential leasehold community and is open to all resident homeowners in that community. A group may be formed after the issuance of a notice pursuant to sections 2 or 3 of P.L.1991, c.483 (C.46:8C:11 or C.46:8C-12) and may designate an agent to act on its behalf. A group may form a cooperative, nonprofit corporation, or similar entity to take ownership of the private residential leasehold community as part of a purchase agreement for the private residential leasehold community, as long as such organization consists of and is controlled by the resident homeowners and is open to all resident homeowners in the community.

"Sale," "sell," and "purchase," mean and include any type of sale, lease, or transfer, except as provided by section 4 of P.L.1991, c.483 (C.46:8C-13).

"Travel trailer" means a recreational vehicle designed to be towed by a motorized vehicle containing a towing mechanism which is mounted behind the tow vehicle's bumper.

"Truck camper" means a recreational vehicle consisting of a roof, floor, and sides, designed to be loaded onto and unloaded from the bed of a pickup truck.

b. (Deleted by amendment, P.L.2025, c.362)

c. As used in section 2 of P.L.1991, c.483 (C.46:8C-11), "offer" means any solicitation by the landowner to the general public.

C.46:8C-12.1 List of nonprofits committed to preserving affordable housing.

2. a. The Department of Community Affairs shall publish and maintain on the department's Internet website a list of nonprofit organizations that are committed to preserving affordable housing, that have submitted a request to the department to receive notifications that a private residential leasehold community:

(1) land is offered for sale; or

(2) landowner has received a bona fide offer to purchase that the private residential leasehold community landowner intends to consider or to which the private residential leasehold community landowner intends to make a counteroffer.

b. The department shall update the list within 90 days after receiving a new request pursuant to subsection a. of this section.

3. Section 2 of P.L.1991, c.483 (C.46:8C-11) is amended to read as follows:

C.46:8C-11 Rights of homeowners on offer for sale.

2. a. If a private residential leasehold community landowner offers private residential leasehold community land for sale, the landowner shall give notice of that act by certified mail, return receipt requested, to the department, the municipal clerk and the mayor or other chief executive officer of the municipality in which the private residential leasehold community is

located, the persons and entities on the list published and maintained by the department pursuant to section 2 of P.L.2025, c.362 (C.46:8C-12.1), and each resident homeowner in the private residential leasehold community. In addition, the landowner shall send the notice to each resident homeowner by first class mail with tracking and by delivery to each manufactured home on the property. The notice shall state the price, terms, and conditions of the offer and a contact person for further information.

b. The affected resident homeowners, by and through a resident homeowner group, shall have the right to purchase such land, provided 51 percent of the resident homeowners in the private residential leasehold community have consented to the purchase, with multiple resident owners of a home having a single vote, and further provided that the resident homeowners meet the price, terms, and conditions of the private residential leasehold community landowner by executing a contract with the landowner within 120 days of being notified pursuant to subsection a. of this section, except as an extension of time may be mutually agreed upon by the landowner and the resident homeowner group. If a contract between the landowner and the resident homeowner group is not executed within that extension period, then, unless the landowner thereafter elects to offer the land at the same price or at a lower price than specified in the notice required by subsection a. of this section, the landowner shall have no further obligations pursuant to this subsection. The contract shall include a reasonable financing contingency of at least 90 days, and may, at the landowner's option, include a refundable earnest money requirement of up to \$50,000. A resident homeowner may indicate consent to the purchase by signing a petition or any other document that so indicates consent.

c. If the landowner thereafter elects to offer the land at the same price or at a lower price than specified in the landowner's notice pursuant to subsection a. of this section, the resident homeowners shall have an additional 30 days after receipt of that offer to meet the price, terms, and conditions of the landowner by executing a contract; provided, however, that if more than three months have elapsed since the receipt by the resident homeowners of the previous offer to sell the land pursuant to this subsection, the resident homeowners shall have 60 days after receipt of the subsequent offer to meet the price, terms, and conditions of the landowner by executing a contract.

d. (1) As used in this subsection:

"Confidential information" means all nonpublic information of any type or character provided by a disclosing party to a receiving party in the course of any discussions, negotiations, and due diligence related to a transaction pursuant to subsection b. of this section, regardless of whether the disclosing or receiving party is a landowner, resident homeowner group, or a resident homeowner residing in the private residential leasehold community. "Confidential information" shall not mean information:

(a) disclosed for the purposes of obtaining legal advice and other professional and technical counsel to facilitate the discussions, negotiations, or due diligence related to a transaction pursuant to subsection b. of this section;

(b) that becomes generally available to the public or any other person through no fault of the receiving party, after the exercise of reasonable precautions by the receiving party to protect such information, using the same reasonable precautions that the receiving party uses to prevent the unauthorized use, disclosure, dissemination, or publication of the receiving party's own confidential information;

(c) that is disclosed with the prior written consent of the disclosing party;

(d) that was lawfully in the possession of the receiving party prior to receipt from the disclosing party;

(e) that can be established by competent, public information lawfully within the possession of the receiving party; or

(f) for which, notwithstanding paragraph (4) of this subsection to the contrary, the disclosure results in harmless error.

“Disclosing party” means a landowner, or a resident homeowner group or resident homeowner residing in a private residential leasehold community, which provides or discloses confidential information to the receiving party.

“Parties to the transaction” means a landowner, and a resident homeowner group and resident homeowner residing in a private residential leasehold community, which are involved, directly or indirectly, in the course of any discussions, negotiations, and due diligence related to a transaction pursuant to subsection b. of this section.

“Receiving party” means a landowner, or a resident homeowner group or resident homeowner residing in a private residential leasehold community, which receives confidential information from the disclosing party.

(2) A receiving party shall not disclose confidential information to any person or business entity other than the disclosing party.

(3) A receiving party:

(a) shall only use confidential information of the disclosing party for the internal evaluation of the feasibility and desirability of the transaction;

(b) shall hold confidential information of the disclosing party in strict confidence and take reasonable precautions to protect such information, using the same reasonable precautions that the receiving party uses to prevent the unauthorized use, disclosure, dissemination, or publication of the receiving party’s own confidential information; and

(c) may agree, following a validly executed contract with the disclosing party, to impose additional contractual obligations or provide exceptions to unlawful disclosure of confidential information pursuant to, and which would otherwise constitute a violation of, this subsection.

(4) By entering into a contract for the sale of the private residential leasehold community pursuant to subsection b. of this section, the parties to the transaction agree that the disclosure, use, dissemination, or publishing of confidential information by a receiving party in violation this subsection shall constitute irreparable harm suffered by a disclosing party, and such a violation shall entitle the disclosing party to injunctive relief, in addition to all other rights or remedies available in law or in equity, including reasonable attorney’s fees and courts costs, in a court of competent jurisdiction where the private residential leasehold community is located.

4. Section 3 of P.L.1991, c.483 (C.46:8C-12) is amended to read as follows:

C.46:8C-12 Right of homeowners on offer to buy.

3. a. If a private residential leasehold community landowner receives a bona fide offer to purchase the land that the landowner intends to consider or make a counteroffer to, the landowner shall notify the department, the municipal clerk and the mayor or other chief executive officer of the municipality in which the private residential leasehold community is located, the persons and entities on the list published and maintained by the department pursuant to section 2 of P.L.2025, c.362 (C.46:8C-12.1), and each resident homeowner. The notifications required pursuant to this subsection shall be by certified mail, return receipt requested, except that the notification to the resident homeowners shall be by certified mail, return receipt requested, by first-class mail with tracking, and by delivery to each manufactured home on the property. The landowner shall not conclude any agreement to sell the land until after the 120-day period specified by subsection c. of this section has elapsed, but the landowner may negotiate with other potential purchasers and may accept an offer for the sale of a private residential leasehold community before giving the notice and purchase opportunity required by this section or during the 120-day period specified by subsection c. of this section,

provided that the purchase agreement is conditioned upon providing the notice and purchase opportunity pursuant to P.L.2025, c.362 (C.46:8C-12.1 et al.). The notice required by this subsection shall include:

- (1) a statement advising the recipient of the intended sale of the community;
- (2) a statement of the resident homeowners' rights pursuant to P.L.2025, c.362 (C.46:8C-12.1 et al.) and the deadlines for exercising such rights; and
- (3) the price, terms, and conditions of the offer the landowner intends to consider or make a counteroffer to, or a copy of such offer or a conditional purchase contract. In the case of a proposed sale, in a single transaction, of more than one private residential leasehold community, or a manufactured home community and one or more other non-related properties, the notice shall state both the aggregate price and the price of the private residential leasehold community in which the resident homeowners receiving the notice reside.

b. Upon receipt of a notice mailed pursuant to subsection a. of this section, the resident homeowners may select and designate up to seven representatives, who may be assisted by legal and other professional and technical counsel, to receive from the landowner any additional information necessary to evaluate the possibility of purchasing the private residential leasehold community, and to negotiate the terms upon which the landowner would be willing to sell the private residential leasehold community to the resident homeowner group. The representatives and their assistants shall be pledged to maintain in confidence any information disclosed to them by the landowner in the course of such negotiations. If any such representative or assistant fails to maintain that confidence, the landowner may bring an appropriate action at law for damages or seek an appropriate equitable remedy.

c. Not later than the 120th day next following the mailing of the notice required by subsection a. of this section, or following a period of extension agreed to by the resident homeowner designees and the landowner, a resident homeowner group may deliver to the landowner a proposed purchase agreement for the private residential leasehold community land, along with a statement that 51 percent or more of the resident homeowners consent to the submission of the purchase agreement, with multiple resident owners of a home having a single vote. A resident homeowner may indicate consent to the purchase by signing a petition or any other document that so indicates the resident homeowner's consent. In the absence of any agreement between the landowner and the resident homeowners, the landowner shall be deemed to agree to such sale upon the identical terms stated in the notice required by subsection a. of this section, with reasonable financing contingency of at least 90 days, and, at the landowner's option, a refundable earnest money requirement of up to \$50,000.

d. This section applies regardless of whether the landowner has previously provided one or more notices required pursuant to section 2 of P.L.1991, c.483 (C.46:8C-11).

e. (1) As used in this subsection:

“Confidential information” means all nonpublic information of any type or character provided by a disclosing party to a receiving party in the course of any discussions, negotiations, and due diligence related to a transaction pursuant to subsection b. of this section, regardless of whether the disclosing or receiving party is a landowner, resident homeowner group, or a resident homeowner residing in the private residential leasehold community. “Confidential information” shall not mean information:

(a) disclosed for the purposes of obtaining legal advice and other professional and technical counsel to facilitate the discussions, negotiations, or due diligence related to a transaction pursuant to subsection b. of this section;

(b) that becomes generally available to the public or any other person through no fault of the receiving party, after the exercise of reasonable precautions by the receiving party to protect such information, using the same reasonable precautions that the receiving party uses

to prevent the unauthorized use, disclosure, dissemination, or publication of the receiving party's own confidential information;

(c) that is disclosed with the prior written consent of the disclosing party;

(d) that was lawfully in the possession of the receiving party prior to receipt from the disclosing party;

(e) that can be established by competent, public information lawfully within the possession of the receiving party; or

(f) for which, notwithstanding paragraph (4) of this subsection to the contrary, the disclosure results in harmless error.

"Disclosing party" means a landowner, or a resident homeowner group or resident homeowner residing in a private residential leasehold community, which provides or discloses confidential information to the receiving party.

"Parties to the transaction" means a landowner, and a resident homeowner group and resident homeowner residing in a private residential leasehold community, which are involved, directly or indirectly, in the course of any discussions, negotiations, and due diligence related to a transaction pursuant to subsection b. of this section.

"Receiving party" means a landowner, or a resident homeowner group or resident homeowner residing in a private residential leasehold community, which receives confidential information from the disclosing party.

(2) A receiving party shall not disclose confidential information to any person or business entity other than the disclosing party.

(3) A receiving party:

(a) shall only use confidential information of the disclosing party for the internal evaluation of the feasibility and desirability of the transaction;

(b) shall hold confidential information of the disclosing party in strict confidence and take reasonable precautions to protect such information, using the same reasonable precautions that the receiving party uses to prevent the unauthorized use, disclosure, dissemination, or publication of the receiving party's own confidential information; and

(c) may agree, following a validly executed contract with the disclosing party, to impose additional contractual obligations or provide exceptions to unlawful disclosure of confidential information pursuant to, and which would otherwise constitute a violation of, this subsection.

(4) By entering into a contract for the sale of the private residential leasehold community pursuant to subsection b. of this section, the parties to the transaction agree that the disclosure, use, dissemination, or publishing of confidential information by a receiving party in violation of this subsection shall constitute irreparable harm suffered by a disclosing party, and such a violation shall entitle the disclosing party to injunctive relief, in addition to all other rights or remedies available in law or in equity, including reasonable attorney's fees and court costs, in a court of competent jurisdiction where the private residential leasehold community is located.

C.46:8C-12.2 Landowner to consider resident homeowner group offer.

5. a. If the resident homeowners, by and through a resident homeowner group, make an offer to the landowner to purchase the private residential leasehold community, whether in response to a notice sent pursuant to subsection a. of section 2 of P.L.1991, c.483 (C.46:8C-11) or subsection a. of section 3 of P.L.1991, c.483 (C.46:8C-12) or otherwise, and whether or not the proposed price, terms, and conditions are identical to those proposed by the landowner or in a third party's offer, the private residential leasehold community landowner shall consider the resident homeowner group's offer and negotiate with the resident homeowner group in good faith.

b. A landowner shall not accept or conditionally accept an offer for the sale of a private residential leasehold community unless its price, terms, and conditions are universal and applicable to all potential buyers, nor shall a landowner accept or conditionally accept an offer that contains any provision which would penalize the landowner for entering into an agreement for sale of the community to the resident homeowners or their assignee pursuant to P.L.1991, c.483 (C.46:8C-10 et seq.).

C.46:8C-12.3 Assignment of rights to a municipality, housing authority, State agency, or nonprofit.

6. A resident homeowner group that has rights pursuant to P.L.1991, c.483 (C.46:8C-10 et seq.) may, at its election by the consent of 51 percent of resident homeowners, assign such rights to the municipality in which the resident homeowner group is located, a housing authority located in the municipality, an agency of the State, or a nonprofit corporation or cooperative, for the purpose of continuing the use of the property as a manufactured home community. Upon assignment, the assignee shall be entitled to exercise the rights that P.L.1991, c.483 (C.46:8C-10 et seq.) grants to the assignor-resident homeowner group.

7. Section 4 of P.L.1991, c.483 (C.46:8C-13) is amended to read as follows:

C.46:8C-13 Rights not applicable to certain sales, etc.

4. The provisions of sections 2 and 3 of P.L.1991, c.483 (C.46:8C-11 and C.46:8C-12) shall not apply to:

- a. (Deleted by amendment, P.L.2025, c.362)
- b. Any sale or transfer to a family member of the landowner.
- c. Any transfer by gift, devise, or operation of law.
- d. Any transfer by a corporation to an affiliate. As used herein, "affiliate" means (1) any shareholder exercising control, or control through attribution as defined pursuant to section 318 of the Internal Revenue Code, of the transferring corporation; (2) any corporation or entity owned or controlled, directly or indirectly, by the transferring corporation; or (3) any other corporation or entity owned or controlled, directly or indirectly, by any shareholder of the transferring corporation. For the purposes of this subsection, control shall mean control as defined in section 304 of the Internal Revenue Code.
- e. Any transfer by a partnership to any of its partners, whether general partners or limited partners, or partners or individuals to a corporation where the control of the corporation is substantially the same.
- f. Any conveyance of an interest in a private residential leasehold community incidental to the financing of that community.
- g. Any conveyance resulting from the foreclosure of a mortgage, deed of trust, or other instrument encumbering a private residential leasehold community, or any deed given in lieu of such foreclosure.
- h. Any sale or transfer between or among joint tenants or tenants in common owning a private residential leasehold community.
- i. The purchase of land of a private residential leasehold community by a governmental entity under its powers of eminent domain.
- j. Any sale which occurs as a result of a condominium or cooperative conversion.
- k. Any sale of real estate owned by the private residential leasehold community landowner which is adjacent to the private residential leasehold community land but does not have appurtenant to it private residential leasehold sites or spaces or related recreational facilities.

C.46:8C-13.1 Qualifications for an exemption.

8. To qualify for an exemption pursuant to section 4 of P.L.1991, c.483 (C.46:8C-13), a transaction shall:

- a. be in good faith;
- b. be made for a legitimate business purpose or a legitimate familial purpose consistent with the exemptions listed pursuant to section 4 of P.L.1991, c.483 (C.46:8C-13); and
- c. not be made for the primary purpose of avoiding the opportunity-to-purchase provisions set forth in P.L.1991, c.483 (C.46:8C-10 et seq.).

9. Section 5 of P.L.1991, c.483 (C.46:8C-14) is amended to read as follows:

C.46:8C-14 Compliance as prerequisite to recording.

5. In addition to other prerequisites for recording, no deed evidencing transfer of title to a private residential leasehold community land shall be recorded in the office of any county recording officer unless accompanying the application to transfer the title is an affidavit annexed thereto in which the owner of the private residential leasehold community certifies:

- a. with reference to an offer by the landowner for the sale of the land, the landowner has complied with the provisions of section 2 of P.L.1991, c.483 (C.46:8C-11); or
- b. with reference to an offer received by the landowner for the purchase of the land, or with reference to a counteroffer which the landowner has made or intends to make to such an offer, the landowner has complied with the provisions of section 3 of P.L.1991, c.483 (C.46:8C-12); or
- c. notwithstanding the landowner's compliance with section 2 or 3 of P.L.1991, c.483 (C.46:8C-11 or C.46:8C-12), as applicable, no contract has been executed for the sale of the land between the landowner and a resident homeowner group; or
- d. the provisions of sections 2 and 3 of P.L.1991, c.483 (C.46:8C-11 and C.46:8C-12) are not applicable to a particular sale or transfer of the land by the landowner, and compliance therewith is not required; or
- e. a particular sale or transfer of the land is exempted from the provisions of sections 2 through 5 of P.L.1991, c.483 (C.46:8C-11 through C.46:8C-14).

C.46:8C-14.1 Violations; remedies and penalties.

10. a. If a landowner sells or is preparing to sell a private residential leasehold community land and has not complied with the requirements of P.L.1991, c.483 (C.46:8C-10 et seq.), any resident homeowner or the Attorney General, or both, may file an action in the Superior Court, Law Division, in the county in which the private residential leasehold community is located to enforce the requirements of P.L.1991, c.483 (C.46:8C-10 et seq.). In any such action, the court may grant any relief it deems appropriate, including, but not limited to, declaratory and injunctive relief, voiding of the sale of the land, actual damages, and punitive damages, and shall award reasonable attorney fees if the resident homeowners prevail.

b. A violation of P.L.1991, c.483 (C.46:8C-10 et seq.) shall constitute an unlawful practice pursuant to section 2 of P.L.1960, c.39 (C.56:8-2), and a landowner who violates P.L.1991, c.483 (C.46:8C-10 et seq.) shall be subject to all remedies and penalties available pursuant to P.L.1960, c.39 (C.56:8-1 et seq.).

11. Section 5 of P.L.1977, c.419 (C.45:22A-25) is amended to read as follows:

C.45:22A-25 Exemptions.

5. a. Unless the method of disposition is adopted for purposes of evasion, the provision of this act shall not apply to offers or dispositions:

- (1) By an owner for the owner's own account in a single or isolated transaction;
- (2) Wholly for industrial, commercial, or other nonresidential purposes;
- (3) Pursuant to court order;
- (4) By the United States or by this State or any of its agencies or political subdivisions;
- (5) Of real property located without the State;
- (6) Of cemetery lots or interests;
- (7) Of less than 100 lots, parcels, units, or interests; provided, however, that with respect to condominiums and cooperatives, this exemption shall not apply, irrespective of the number of lots, parcels, units, or interests offered or disposed of;
- (8) Of developments where the common elements or interests, which would otherwise subject the offering to this act, are limited to the provision of unimproved, unencumbered open space;
- (9) In a development composed wholly of rental units, where the relationship created is one of landlord and tenant;
- (10) Of any form of timesharing;
- (11) Of a private residential leasehold community to a resident homeowner group or its assignee pursuant to P.L.1991, c.483 (C.46:8C-10 et seq.), whether or not the form of ownership of the private residential leasehold community would otherwise fall within the definition of planned real estate development pursuant to "The Planned Real Estate Development Full Disclosure Act," P.L.1977, c.419 (C.45:22A-21 et seq.).

b. The agency may, from time to time, pursuant to its rules and regulations, exempt from any of the provisions of this act any development, or any lots, units, parcels, or interests in a development, if it finds that the enforcement of this act with respect to such is not necessary in the public interest or required for the protection of purchasers by reason of the small amount of the purchase price involved, the limited character of the offering, or the limited nature of the common or shared elements.

12. The following sections are repealed:

Sections 6 through 9 of P.L.1991, c.483 (C.46:8C-15 through C.46:8C-18).

13. This act shall take effect immediately and shall not apply to sales of private residential leasehold communities for which a written agreement, letter of intent, or other contractual commitment exists as of the effective date of this act.

Approved January 20, 2026.