

SENATE, No. 791

STATE OF NEW JERSEY

222nd LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2026 SESSION

Sponsored by:
Senator ROBERT W. SINGER
District 30 (Monmouth and Ocean)

SYNOPSIS

Prohibits common interest communities from penalizing members who place unit into living, revocable trust fund or classifying placement as title transfer.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning certain common interest community property
2 transfers and supplementing P.L.1977, c.419 (C.45:22A-21 et
3 seq.).
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5 BE IT ENACTED by the Senate and General Assembly of the State
6 of New Jersey:
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8 1. a. For purposes of this section, "governing documents,"
9 means:

10 (1) The recorded declaration of covenants for a community, a
11 master deed, or a proprietary lease, and all duly adopted and
12 recorded amendments, supplements, and recorded exhibits thereto;
13 and

14 (2) The articles of incorporation, bylaws, and rules and
15 regulations of the association and any duly adopted amendments
16 thereto.

17 b. Notwithstanding any other provision of the governing
18 documents of a planned real estate development, the placement by
19 an association member or settlor of an association member's unit, or
20 in the case of a cooperative, shares or proprietary lease, and assets
21 into a living, revocable trust fund shall not constitute a title transfer
22 for purposes of the association charging a membership fee, capital
23 contribution fee, transfer fee, transfer tax, or other revenue-raising
24 charge that is due on transfer of ownership. Notwithstanding the
25 provisions of this subsection, the association may charge a fee that
26 is reasonably related to the costs incurred by the association in
27 connection with such a transfer of ownership.
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29 2. This act shall take effect immediately.
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32 STATEMENT
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34 This bill would provide that the placement of the unit, or in the
35 case of a cooperative, shares or proprietary lease, and assets, of an
36 association member of a homeowners' association, condominium
37 association, cooperative, or other planned real estate development
38 (association), into a living, revocable trust fund would not
39 constitute a title transfer for the associations' purposes. Under
40 current State law, the governing documents of some associations
41 could enable the association to derive a financial benefit when an
42 association member sells or transfers a unit, assets, or shares or
43 proprietary lease, including placing their unit into a living,
44 revocable trust. This bill would protect association members and
45 senior citizens living in an association by prohibiting the
46 association from charging any fees due on transfer of ownership by
47 placing the property in a living, revocable trust fund. The bill
48 would permit an association to charge a fee that is reasonably

S791 SINGER

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- 1 related to the costs incurred by the association in connection with a
- 2 transfer of ownership.