

FOR IMMEDIATE RELEASE – October 1, 2007

Contact: Brian J. Kelley, Public Affairs Coordinator
Phone: 609-588-0030 ext. 304; Fax: 609-588-0040; E-mail: brian@cainj.org

“Capital Contribution” bill signed by Gov. Corzine
A-2822/S-2188 confirms practice of fee collection upon sale or resale of condominium unit

MERCERVILLE, N.J. — Gov. Jon Corzine has signed A-2822/S-2188, a bill that amends the New Jersey Condominium Act to expressly authorize a condominium association to collect a capital contribution, membership fee or similar charge upon the initial sale or subsequent resale of a condominium unit.

The CAI-NJ Legislative Action Committee (LAC) had the legislation drafted and introduced in response to the *Micheve v. Wyndham Place at Freehold* court decision on "capital contributions."

The bill, sponsored by Assemblyman Frederick Scalera (D-Essex) and Senator Ronald Rice (D-Essex), passed both houses of the Legislature on June 21, 2007. Gov. Corzine signed the bill Monday, September 10, 2007, and it became P.L. 2007, chapter 165.

“A2822/S2188 is a very simple amendment to the New Jersey Condominium Act and should be easily understood,” said **Kenneth R. Sauter, Esq.**, chair of the CAI-NJ Legislative Action Committee and partner at the Morristown law firm of Ramsey Berman, P.C. “There is no hidden agenda in the bill. It is simply intended to respond to the *Micheve* case, clarify the law, and confirm the long-standing right and practice of community associations to collect working capital contributions upon resales.”

Curtis Macysyn, CAE, CAI-NJ executive vice president added, “You should also note that the bill does not authorize the imposition of any such charge based simply upon a board resolution. The charge must be authorized by the master deed or bylaws, including amendments to these documents.”

The bill was supported by the New Jersey Legislative Action Committee of Community Associations Institute, which offered amendments to the legislation that also limits the discretion of condominium associations wishing to impose and collect capital contribution fees by requiring that such a fee could only be collected in accordance with the terms and conditions of an association’s master deed or bylaws. Capital contributions may not be increased merely by a resolution of a condominium association’s board of trustees.

###

About CAI-NJ

CAI-NJ is the New Jersey Chapter of the Community Associations Institute (CAI), a national non-profit organization dedicated to fostering vibrant, responsive, competent community associations and helping them promote harmony, community and responsible leadership. CAI-NJ is the second largest chapter (of 56 chapters) in the United States and provides continuous education and resources to help our more than 2,100 members, including 1,450 community association volunteer leaders, stay abreast of current community association issues and events in the State of New Jersey. For more information about CAI-NJ, please visit <http://www.cainj.org>.

**1675 Whitehorse-Mercerville Road
Suite 206
Mercerville, New Jersey 08619**

**609.588.0030 PHONE
609.588.0040 FAX**

www.cainj.org

AMERICA'S ADVOCATE FOR RESPONSIBLE COMMUNITIES