

Community Trends®



LEGISLATIVE UPDATE

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As the members of the Legislative Action Committee begin a new year, we cannot help but to wonder as we do about many other aspects of our lives - Where does the time go? Could we have done things better this past year? Should we have done things differently this past year? Hindsight is always 20-20 and, yes, we could have spent less time on certain issues or channeled our energy in different directions. Regardless, our attention has always been on improving life in our communities.

In looking back at the priorities the LAC had established at the beginning of 2016, we are confident that we approached each of our priorities with a strategic plan of both legal substance and the proper approach to convince our legislators and other industry groups that LAC's proposals on behalf of CAI-NJ would not only serve its constituency, but would not adversely impact the universe of interests in which community associations operate and thrive.

2016 LAC Priorities.

We began the year with four priorities: Manager licensing, the Municipal Services Act, election reform and mortgage foreclosure reform.

After years of discussion and progress when the New Jersey Manager Licensing bill, S1367, passed both the Assembly and Senate in 2014, Governor Christie pocket vetoed the bill in early 2015. The LAC decided to forego further pursuit of manager licensing, either in the form of licensing or possible alternatives of manager certification

or registration. Perhaps there will be reconsideration when the administration changes. The opinion of CAI's members will be vital in determining the direction in which the LAC proceeds.

Another one of the LAC's priorities was the Municipal Services Act, with an eye toward expanding the services

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which municipalities are required to either perform or reimburse costs incurred by qualified communities. While S2522 was introduced on September 12, 2016 requiring certain municipal authorities to inspect, maintain, and repair fire hydrants in planned real estate developments, the bill does not broaden the scope of the Municipal Services Act to encompass the costs borne by all of our communities for its hydrants. The Municipal Services Act will continue to be one of the priorities of the LAC in 2017 since the Act is at the heart of fair and equalize treatment of the citizens of a single municipality.

Mortgage foreclosure reform was one of the priorities during 2016 and will continue to be given the high rate of mortgage foreclosures in the State and the drastic toll the protracted

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foreclosure process takes upon our communities. S1832 is one of the bills on which the LAC supports in furtherance of an expedited process for foreclosing vacant and abandoned residential properties in uncontested foreclosure actions. Mortgage foreclosure reform will continue to be a priority as the LAC continues to make slow, but steady, progress.

Finally, the LAC identified election reform as one of its greatest challenges at the beginning of 2016, and it continues as such. There was a number of bills which considered throughout the year but, as will be discussed below, it was not until September 8, 2016 that S2492/A 4091 were introduced, which is a bill to which the LAC lends its full support.

Pending Bills 2016/2017.

As we closed 2016, seven (7) bills were pending in the Legislature, each with the potential of significant impact to communities. On December 5, 2016, LAC member, George Greatrex testified on the following bills at hearings conducted by the Assembly Housing and Community Development Committee, with Tim Martin of CAHNJ's lobbying firm MBI*GluckShaw.

Bill: A 358

Sponsor: Assemblyman Sean Kean

Title: *Prohibits conflict of interests by governing board members or management employees of homeowners' associations.*

Bill: A 400

Sponsor: Assemblyman Daniel Benson

Title: *Makes homeowners' association in which developer's control of executive board has not been surrendered a public body under "Senator Byron M. Baer Open Public Meetings Act."*

Bill: A 2009

Sponsor: Assemblyman Jerry Green

Title: *Permits master deed of condominium to reflect proportional common and limited common elements interests of each owner as fractions.*

Bill: A 2027

Sponsor: Assemblyman Jerry Green

Title: *Concerns membership and management of homeowners associations.*

Bill: A 2260

Sponsor: Speaker Vincent Prieto

Title: *The "Owners' Rights and Obligations in Shared Ownership Communities Act."*

Bill: S 2492

Sponsor: Senator Robert Gordon

A 4091

Assemblyman Timothy Eustace

Title: *Enhances resident voting participation rights in common interest communities.*

Of the bills that were the subject of the hearings, the LAC supports only S2492/A4091 pertaining to voting rights. LAC members, David Ramsey and Michael Pesce, played a major role in the drafting of the bill. The bill is commonly referred to as the "Radburn" bill as it was introduced as a means of dealing with the oddities in the election process at the Radburn community in the Borough of Fair Lawn in Bergen County. The bill is intended to ensure that all owners in communities are voting members with the power, not only to nominate themselves, but to run in an election of board members.

At the Annual Meeting and Chapter Retreat held on December 8, 2016, the LAC included as its priorities of A3683 on the treatment of deductibles imposed under association insurance policies, to the previous priorities of the expansion of the scope of the Municipal Services Act, mortgage foreclosure reform, and election reform. Election reform is one of the nine (9) concerns addressed in the Uniform Common Interest Ownership Act (UCIOA) on which members of the LAC worked on for years. As the Radburn bill progresses, the LAC will direct its attention to other concerns addressed by UCIOA.

I look forward to serving as the Chair of the LAC for another year and express my deep appreciation to this dedicated group of Business Partners, Managers, and Community Association Volunteer Leaders. Alongside me will work George Greatrex as Vice Chair, Michael Pesce as Secretary and Carol Koransky as Treasurer.

Always feel free to contact me at cli@greenbaumlaw.com with your thoughts and suggestions as to how the LAC may better serve you.

I wish you much happiness, good health and prosperity in 2017. ■