

Community Trends®



LEGISLATIVE UPDATE

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As reported to you in last month's edition of *Community Trends*® the LAC's legislative and regulatory priorities for this coming legislative term (January 2018 to January 2020) under the leadership of a new Governor:

- **Mortgage foreclosure reform** (to address the plague of vacant and abandoned homes in foreclosure)
- **Expansion of services to be reimbursed or performed by municipalities** (such as maintenance of fire hydrants)
- **Adoption of uniform common ownership interest legislation** (the revival of UCIOA by the NJ Law Review Commission)
- **DCA adoption of revised language further defining "adequate reserves" and "benefits derived"** (as contained in PREDFDA and the Condominium Act and their administrative regulations)
- **Opposition to legislation aimed at lessening a developer's bonding requirements under the MLUL, and legislation limiting a CIC's ability to include protective indemnification provisions in vendor contracts** (such as snow removal contracts)

As I write this column, two of those priorities have taken center stage in Trenton during its "lame duck" legislative session – the time between the election in November and the end of the term in mid-January – our support of mortgage foreclosure reform, and our opposition to amending

the Land Use Law to lessen a developer's bonding requirements. Unfortunately, the results we had hoped for did not materialize. The Land Use Law bill was passed by both chambers and is now on the Governor's desk awaiting his

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signature. The mortgage foreclosure reform bill was felled by last minute objections from Senate staffers, and as a result was never voted on by either chamber.

The mortgage foreclosure reform bill (A3823/S1832) was initiated and is supported by the LAC. It addresses the problem of "zombie foreclosures" that plague nearly all common interest communities in New Jersey. Current law provides for an expedited foreclosure process for uncontested foreclosures on vacant and abandoned properties, but does not require it. As you likely know, foreclosing lenders have not been taking advantage of this option to expedite their foreclosures, allowing these abandoned homes to sit vacant, sometimes for years, thereby draining the financial resources of the associations in which they are located. This pending bill would offer fair options to those lenders

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who refuse to expedite their foreclosures: either pay the associations' maintenance fees during the pendency of the foreclosure, or agree to the appointment of a fiscal receiver to generate income from the property and provide it to the association until it is sold. The sponsors of this bill have pledged to address the concerns expressed by the Senate, immediately re-introduce it in the next legislative session, and put it on a fast track to passage. I hope to report to you in the coming months that they have kept their word.

The land use bill (A1425/S3233) which would amend New Jersey's Municipal Land Use Law by waiving a developer's obligation to post performance and maintenance guarantees for those improvements in common interest communities which would not be dedicated to the local municipality, but rather would be owned by the association as common property, is strongly opposed by the LAC. Such improvements include roads, curbs, sidewalks, and drainage facilities (such as stormwater basins). If this bill becomes law, and if these common area improvements are left incomplete or defective by the developer, common interest communities would have to pay the cost of completing or repairing those improvements. I hope to report to you in next month's column that the Governor vetoed this unfair bill which deprives the 1.35 million residents in common interest communities across our state that have had this protection in the law for nearly 40 years.

A quick thank you to all who heeded our call to action last month to contact your legislators and the Governor to express your opinions regarding these pending bills. Your voices are extremely important in the legislative process. It is undeniable that your contacts make an impact on your

legislators and the Governor, and are an important tool in the further protection of the rights and privileges of those of us who live and work in New Jersey's 6,700 common interest communities.

In keeping with the security theme of this month's *Community Trends*®, please know that the LAC monitors all legislation and regulatory efforts in the area of safety and security within community associations in New Jersey. There is currently a bill pending in the Assembly (A3431) which requires lobby security for certain senior citizen high-rise buildings in areas with high violent crime rates. This bill has been pending in the legislature for three sessions now (nearly 6 years) without significant movement toward becoming law. Our review of the bill reveals that it would require owners of senior citizen high rise buildings having 50 units or more to provide 24-hour security if the building is located in a municipality with a violent crime rate exceeding 6 per 1,000 persons. It also gives the Department of Community Affairs (DCA) the power to issue regulations concerning the security of residents in lobbies and interior common areas of hotels and multiple dwellings (such as common interest communities) in general. We are closely monitoring this bill, but have seen no indication that the leadership of the Assembly will post it for a vote any time soon, and there currently is no companion bill pending in the Senate.

If you are experiencing particular security issues in your common interest community which you believe could use a legislative or regulatory remedy, or otherwise have ideas on how to make living and working in our communities safer, please let us know! Talk to you next month. ■