

Community Trends®



LEGISLATIVE UPDATE

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As I've been known to say about the legislative process, to be successful you must possess patience and perseverance...in abundance. In spite of our best efforts, we fell short on two of the Legislative Action Committee's objectives at the end of the last legislative session in Trenton this past January.

First, the mortgage foreclosure reform legislation we supported to address the problem of "zombie foreclosures" in our communities failed to reach the floor of either chamber for a vote. The good news is that these bills have already been reintroduced in the Assembly and the Senate in this new legislative session (A2085/S1243), and their sponsors are as motivated as we are to move them toward passage. It is our hope that revisions to the bills can be soon negotiated to address the technical concerns expressed by Senate staffers who were responsible for pulling the bills at the last minute. We remain committed to providing fair options to lenders and community associations during the often lengthy foreclosure process on vacant properties in our state.

Second, the bill to amend the Municipal Land Use Law to waive 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 was signed into law by Governor Christie on his last day in office. For those property managers and board members of new common interest communities (going forward) for which the developer is not required to post those bonds on certain improvements, you will

no longer be able to rely on the municipal engineer and administrator to make sure those improvements have been properly designed and constructed by enforcing those bonds. Rather, it will be necessary now to be more vigilant

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than ever in monitoring the construction of those communities and to timely demand repair and/or replacement of any discovered design and construction defects, since litigation against the developer will be the Association's only remedy. It is important for your transition team (property manager, board members, engineer, attorney and accountant) to actively communicate with each other and with the developer so as to prevent what could be catastrophic consequences for your new associations.

In keeping with the theme of this issue of *Community Trends*®, we have been made aware that at least one state legislator intends to introduce legislation to mandate proper training of members of New Jersey's 6,700 common inter-

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est community governing boards. It goes without saying that our *homeowner leaders* play a vital and necessary role in the daily governance of our homeowner associations. These volunteers attend countless meetings, answer daily telephone calls and letters from their neighbors, and are generally depended upon to ensure the peaceful enjoyment and maintenance of the value of their homes, all without compensation and often without the credit they deserve.

It is suggested, however, that all board members could perform these volunteer tasks more efficiently and effectively if they received proper and timely training. To be sure, there is no better training than what you receive "on the job", but for newly elected/appointed board members who must jump right into what often are difficult situations in their communities, early training and orientation can assist those

new board members in being prepared to properly perform their tasks from the day they join the board. What that training or orientation will look like will be the main subject of negotiation of this legislation. What must be sought is a fair balance between the benefits of training and the recognition of the time constraints already put on our volunteer homeowner leaders. In a time when it is sometimes difficult to recruit new board members to serve on our governing boards, the last thing we want to do is further discourage our vital volunteers from serving.

We invite your input on this issue of board member training. The IAC will be involved in helping to shape this legislation, and we will seek to attain that fair balance of benefit versus cost. Let us know your thoughts and suggestions...we'll keep you posted. Talk to you next month. ■