

Community Trends®



LEGISLATIVE UPDATE

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For several years now the introduction and passage of legislation into law requiring the licensure of property managers has been a legislative priority of CAI's Legislative Action Committee – NJ. This initiative recognized that the LAC's primary duty is to improve the lives of those who live and work in New Jersey's 6,800 common interest communities by promoting legislation that would further that goal, and by opposing legislation that would prevent us from reaching that goal.

It was based on the consensus at the time that requiring mandatory education, training and licensing of property managers would benefit those living in common interest communities, would benefit the property management industry and was in fact long overdue. Indeed, this initiative was originally conceived and promoted by property managers, and is still supported by many property managers in New Jersey today.

Legislation was introduced in New Jersey several years ago by motivated sponsors who agreed with our view that mandatory manager licensing would benefit our members. The preamble to the bill said this:

"The Legislature finds and declares that the citizens and residents of New Jersey are entitled to the maximum protection practicable when living in a community association, and that they be protected by the setting of clear licensing requirements for persons engaging in the practice of providing management services to a community association. It is therefore necessary and in

the public interest to establish education, training and experience standards and to provide for appropriate examination of those persons who serve as common interest community managers."

This bill garnered significant support and eventually passed both chambers of the Legislature. It was then

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presented to then-Governor Christie for his signature and passage into the law of New Jersey. Unfortunately, the Governor did not sign the bill, citing the estimated cost to the State of administering the licensing program, so the bill did not become law.

The LAC's task was then to resurrect the bill in the next legislative session, address the concerns of the Governor's office regarding the estimated costs (which we believe were unfounded), seek passage of the new bill in both the Assembly and the Senate, and resubmit the bill to the new administration (Governor Murphy) for passage into law. But times had changed. During this time several states around the country had been successful in passing into

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law mandatory manager licensing, in varying forms, but with mixed results. One state, Colorado, allowed its manager licensing law to expire this year, stating that it hadn't accomplished the goals it was intended to achieve [Virginia, on the other hand, has reported good results from its manager licensing law]. CAI's national organization headquartered in Washington D.C. has adopted a policy of favoring voluntary certification of property managers over mandatory licensing. Further, one national property management firm with offices in New Jersey has adopted a policy opposing the idea of mandatory licensing of managers and favoring voluntary education and certification of managers.

Last month your New Jersey LAC studied and debated at length our long-standing legislative priority of pursuing mandatory licensing here in New Jersey. It was decided, overwhelmingly I might add, that we owe it to the nearly 1.4 million people who live in CICs in our state to continue to pursue legislation that mandates manager licens-

ing. It may not have been right for Colorado, but we believe it is right for New Jersey. Drafted properly, such a law will ensure that homeowner association boards and the members they serve will be assisted by property managers who have undergone appropriate education, training and testing in this field, and will provide proper safeguards and remedies to those associations who are ill-served by those managers who do not meet those standards. At the same time, if properly drafted, such a law will not be overly burdensome to the many people who endeavor to join the property management industry in our state, and who strive to provide high quality service to their CIC clients. As I've been known to say before, a rising tide lifts all boats... Such requirements will benefit the property management industry by making all managers and their firms better at what they do...serving their homeowner clients. And that in turn will benefit the homeowners, our constituents, who deserve nothing less.

See you here next month! ■