

Community Trends®



LEGISLATIVE UPDATE

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We are now in the second year of the 2018-2019 Legislative Session in Trenton, and our list of legislative initiatives seems to grow each day. During the first year of this session we on the Legislative Action Committee (LAC) worked hard to oppose those bills we believed would be harmful to those who live and work in New Jersey's 6,800 common interest communities, and to initiate and support those bills which would improve the lives of the 1.35 million people who live in those communities. Past experience has shown that legislative activity steadily increases as the second half of a legislative session wanes, so we are expecting increased activity, and hopefully successes, in the coming months. Stay tuned!

Early last year I reported on the LAC's priority list of issues on which we would be focusing our efforts during this legislative session (January 2018 to January 2020). Those issues remain substantially the same for the remainder of the session, with a few having recently come into greater focus and clarity. They include:

- **Mortgage foreclosure reform** (to address the plague of vacant and abandoned homes in foreclosure — known as “zombie” foreclosures). We have been invited by the legislative leadership to participate in the crafting of a series of new bills to reform the mortgage foreclosure process in New Jersey, including two bills which directly address the zombie foreclosure problem, and the ability of CICs to recover past due assessments from properties in foreclosure. We are told that these bills, once introduced, are likely to be “fast-tracked” by the legislative leadership.

- **DCA adoption of revised language further defining “adequate reserves” and “benefits derived”** (as contained in PREDFDA and the Condominium Act and their administrative regulations

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which primarily apply to new developments still under developer control). We have worked collaboratively with the NJ Builders Association to draft proposed revisions to the DCA regulations that address these important regulations, and are actively communicating with the DCA to review and finalize those proposals.

- **Statute of Limitations for claims against developers:** A New Jersey Supreme Court opinion in the case of *The Palisades at Fort Lee Condo. Assn. Inc. v. 100 Old Palisade, LLC*, 230 N.J. 427 (2017) significantly shortened the period of time within which a new homeowner association could seek judicial redress from its developer for design and construction defects. We

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are seeking to initiate legislation that would reverse the unfairness to all common interest communities resulting from this court opinion.

- **Adoption of uniform common ownership interest legislation** (the revival of UCIOA by the NJ Law Review Commission – A3851/S2425). This bill was introduced last year by motivated sponsors who are seeking to begin the process of consolidating into one statute the many statutory and regulatory provisions that apply to the various forms of common interest communities in our State.
- **Community Association Manager Licensing:** Late last year we studied and debated at length our long-standing legislative priority of pursuing mandatory licensing for community association managers here in New Jersey, and decided to continue to pursue this legislative initiative. Drafted properly, such a law will ensure that CIC boards and the members they serve will be assisted by community association 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 community association management industry in our state, and who strive to provide high quality service to their CIC clients.

Other issues arose last year that merit our attention, and we will focus on ensuring the legislation aimed at addressing these issues will benefit common interest communities in New Jersey, or at the very least do no harm to them. They include:

- **Board member training:** An effort is underway to introduce legislation that will mandate board member training for New Jersey's CICs. The LAC is currently discussing the pros and cons of such legislation, and working with the sponsor to draft a bill that will benefit but not overly burden our homeowner leaders.
- **Electric Vehicle Charging Stations:** (A1030/S2421) Advancing energy technology brings with it both benefits and complications, and this topic is a good example. Legislative efforts to promote the use of electric vehicles are underway, and the LAC is working with the sponsors of this legislation to ensure that the benefits to the users of such technology don't also burden the CICs that would be the subject of such laws.

We look forward to seeing you here each month for your regular update on legislative activity in the community association industry here in New Jersey. Please don't hesitate to reach out to us with ideas and information that will assist us in our mission. And don't forget to contribute to the **CA-PAC** (Community Associations Political Action Committee) to support our legislative efforts on your behalf! ■