

September 17, 2019

**RE: New Jersey Legislature S2425 and A3851**

Recent letters to the editor of various newspapers have stated the writers' opposition to a pending bill in the New Jersey Legislature (S2425/A3851) addressing common interest communities (The New Jersey Common Interest Ownership Act or "NJCIOA"). Notably, the concerns expressed with regard to this legislation have often been non-specific or unable to point to any provision of the bill to support the author's point and, most importantly, are false. Their apparent purpose is to spread fear within New Jersey's senior age-restricted communities. Statements have been made alleging NJCIOA "allows Trenton to meddle in the operations of age-restricted communities," or "it allows the taxation of HOA owners for the value of its common property," or "it does away with age-restricted communities as discriminatory", or, "it prevents an HOA from imposing rental restrictions." A review of the bill proves each of these allegations to be false.

The NJCIOA was drafted by the New Jersey Law Revision Commission ("LRC"), which is charged by law with reviewing, consolidating and simplifying New Jersey statutory law. NJCIOA seeks to initiate a process to consolidate the several different laws applicable to all types of common interest communities (homeowners associations, condominiums, and cooperatives), as a means of streamlining and making more efficient the day to day operations of these communities for the benefit of their residents.

In following the recommendations of the LRC's report, the NJCIOA establishes a new law to address the applicability of association law in general, and, more specifically, the taxation of common property, local ordinance applicability, the impacts of taking of property by the government, and the coordination between NJCIOA and other statutes. The bill also addresses the creation, alteration, and termination of common interest communities, fills the gaps left by many governing documents concerning delineation of unit boundaries and common elements, the content of the declaration and bylaws, lender rights, and the consolidation and termination of common interest communities.



The NJCIOA does NOT permit the State to “meddle” in the affairs of private homeowner associations, as alleged. It does NOT permit taxation of common property or adding the value of common property to individual owner’s property...in fact, it specifically prohibits it. The bill’s reference to New Jersey’s Law Against Discrimination (LAD) does NOT affect the ability of NJ’s senior communities to continue to be age-restricted. The LAD, which has banned discrimination based on age has existed since 1977, was amended in 2003 to explicitly exclude valid age-restricted communities from the age-discrimination provisions of LAD. The reference to the LAD in NJCIOA has NO impact on any association in New Jersey that complies with the federal Fair Housing Act’s provisions concerning 55+ communities. Obviously, the LAD has never been used to prohibit age restricted communities that are valid under the Fair Housing Act, nor does this legislation do so. And the bill in fact specifically authorizes an HOA to include leasing restrictions in it governing documents.

The sponsor of NJCIOA in the Senate, which passed by a vote of 34-2, has stated in his own letters to the editor that he would never have sponsored a bill that negatively impacts residents in New Jersey’s many common interest communities, particularly our senior citizens. Likewise, the New Jersey Chapter of Community Associations Institute (CAI-NJ), the members of which manage and serve these communities, would never support a bill that would harm any of the nearly 1.5 million residents who live and work in the nearly 7,000 common interest communities in New Jersey. With more than 2,000 members dedicated to building better communities, CAI-NJ develops and provides information, education and resources to volunteer association board members, community managers and other professionals who support the community association housing model. CAI’s mission is to inspire professionalism, effective leadership and responsible citizenship—ideals reflected in homeowners associations and condominium communities that are preferred places to call home. CAI-NJ supports this bill and its laudable goals.... we would not do so if it would do the harm that these false rumors say it would.

Sincerely,

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