

Community Trends®



LEGISLATIVE UPDATE

GEORGE GREATREX, ESQ.
PARTNER, SHIVERS, GOSNAY & GREATREX, LLC
LEGISLATIVE ACTION COMMITTEE CHAIR

Welcome to the 2019 Conference and Expo issue of *Community Trends*®! This is the most widely distributed and read issue of the year for our monthly magazine. For those of you who don't receive this magazine, or don't faithfully read it when it's delivered to your office or computer, this Legislative Update column serves as a monthly report on the status of CAI's efforts to initiate and support legislative and regulatory efforts that will improve the quality of life for the 1.35 million residents living and working in New Jersey's 6,700 common interest communities, and to oppose those efforts which would do them harm.

In the February issue of *Trends* I reported on the Legislative Action Committee's priority list of issues on which we will be focusing our efforts during this legislative session (January 2018 to January 2020) in Trenton. They include:

- **Mortgage foreclosure reform** (to address the plague of vacant and abandoned homes in foreclosure — known as “zombie” foreclosures — A2085/S1243). In May we achieved success when a package of foreclosure reform bills was passed by the legislature and signed into law by the Governor. Among other things, these reforms strengthened the enforceability of association liens for unpaid assessments and related charges, and shortened the time period within which a Sheriff's Sale must be conducted on a foreclosed property.
- **Expansion of services to be reimbursed or performed by municipalities** (such as maintenance of fire hydrants — A1745/S2774). We have

motivated sponsors shepherding this bill through the legislature.

- **Adoption of uniform common ownership interest legislation** (the revival of UCIOA by the NJ Law Review Commission — A3851/S2425). These bills seek to begin the process of consolidating into one

“Other issues have arisen during this year that have also demanded our attention...”

omnibus statute the many statutory and regulatory provisions that apply to the various forms of common interest communities in our State. It has already overwhelmingly passed the Senate and we are hopeful it will pass the Assembly and move on to the Governor's desk before the end of the year.

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

CONTINUES ON PAGE 2

We are optimistic that those revisions will be favorably reviewed by the DCA and reflected in their final rules.

- **Opposition to legislation limiting a Common Interest Community's ability to include protective indemnification provisions in vendor contracts** (such as snow removal contracts – A3968/S665). We continue to oppose this legislation that would protect snow removal vendors, at the expense of community associations who hire them.

Other issues have arisen during this year that have also demanded our attention, and we will focus on ensuring the legislation and regulations 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:

- **Release of DCA "Radburn Law" Regulations:** In early June of this year the Department of Community Affairs (DCA) issued a set of new administrative regulations meant to interpret and apply the various elements of the 2017 Radburn election law. This law included various amendments to the PREDFDA and Condo Acts as they relate to voting and elections in common interest communities, along with other association operational procedures. Your LAC has carefully reviewed and analyzed those proposed regulations and found that while some are helpful and acceptable, many are problematic and some downright unacceptable. The LAC has submitted a letter to the DCA outlining our concerns with each of those many problematic and objectionable proposed regulations,

and it is our hope that those concerns will be satisfactorily addressed by the DCA in the final regulations before they become law.

- **Electric Vehicle Charging Stations:** (A1030/S2421) Advancing "green energy" technology brings with it both benefits and complications, and this topic is a good example of that. Legislative efforts to promote the use of electric vehicles are underway, and the LAC is working with the sponsors and proponents of this legislation to ensure that the benefits to the users of such technology don't also burden the common interest communities that would be the subject of laws.
- **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. The LAC has successfully initiated legislation (S3649) that would reverse the unfairness to all common interest communities resulting from this court opinion.

I recommend that you pick up and read the September issue of *Community Trends*®, known as the "LAC Issue", to learn about these issues in more detail. Also, don't forget to attend the Legislative and Legal Update presentation at the Conference and Expo...see you there! ■