



## 2020-2021 End of Legislative Session Report

Community Associations Institute's (CAI) New Jersey Legislative Action Committee (NJ LAC) had a busy legislative session [advocating on behalf of the approximately 1,459,000 New Jerseyites living in 545,000 homes in more than 7,000 community associations](#). The New Jersey General Assembly introduced hundreds of bills during their 2020-2021 session, and the NJ LAC closely monitored several bills which directly impact community associations in New Jersey.

In looking back at the priorities, the LAC had established at the beginning of 2020, we are confident that we approached each of our priorities with a strategic plan of both legal substance and the proper approach to convince our legislators and other industry groups that LAC's proposals on behalf of CAI-NJ would not only serve its constituency but would not adversely impact the universe of interests in which community associations operate and thrive. Below is a brief overview of legislation:

**S396, Construction defect statute of limitations.** This bill provides that the statute of limitations for construction defect claims in common interest communities (CICs) cannot commence running until control of the board of directors passes from the developer to the unit owners. The LAC drafted this bill in response to the New Jersey Supreme Court ruling in *The Palisades at Fort Lee Condo Ass'n v. 100 Old Palisade, LLC*, 230 N.J. 427 (2017) which overturned established precedent that CIC construction defect claims were tolled during the period of developer control. In getting this bill passed, the LAC had to overcome significant opposition from the insurance and construction industries. The NJ LAC thanks the bill's two primary sponsors: Senator Loretta Weinberg (now retired from the legislature) and Assemblyman Gordon Murphy (now Senator).

**Status: [SUCCESSFULLY PASSED AND ENACTED INTO LAW](#)**

**S2861/A5390, Restrictive covenants on real property.** The NJ LAC actively supported this legislation, which was introduced as cross-filed files in August of 2020, and allows for an association's board to review their governing documents to determine whether any unlawful restrictions, covenants, or conditions, discriminating against a homeowner on the basis of race, creed, color, national origin, ancestry, age, marital status, affectional or sexual orientation, familial status, disability, liability for service in the Armed Forces of the United States, nationality, sex, gender identity or expression, or source of lawful income used for rental or mortgage payments, are within their documents. If an association finds such an unlawful restriction within their documents, they must amend their documents and remove the restriction. The removal process of this language will not require approval of the members of the association, notwithstanding any provision of the governing documents to the contrary. This bill became effective upon signature and associations in New Jersey have 90 days to review and remove any of these unlawful restrictions without a vote of their membership.

**Status: [SUCCESSFULLY PASSED AND ENACTED INTO LAW](#)**

**S3584/A4979, Establishes immunity relating to COVID-19 spread in planned real estate developments.** The NJ LAC actively supported this legislative which provides that any illness, injury or death from or related to an exposure to or transmission of COVID19 on the premises of a planned real estate development shall not give rise to any cause of action. This immunity would not apply to acts or omissions constituting a crime, actual fraud, actual malice, gross negligence, recklessness, or willful misconduct. CAI's New Jersey LAC launched several "call to action" email campaigns to successfully pass this legislation, during which they engaged more than 7,000 CAI advocates and who sent more than 28,000 emails to members of the New Jersey General Assembly asking for their support of this legislation. The immunities provided for in this bill were effective through December 31, 2021, and while the New Jersey LAC actively lobbied to end these immunities, the legislature had no appetite for an extension and let this law expire.

**Status: SUCCESSFULLY PASSED; EXPIRED DECEMBER 31, 2021**

**S2261, Revises law relating to common interest communities.** The NJ LAC actively supported this legislation, and has been passed by the New Jersey legislature twice, was vetoed by Governor Murphy for a second time this session. This legislation would have harmonized several acts in New Jersey which create, manage, and terminate common interest communities.

**Status: Passed the legislature, VETOED By Governor Murphy**

**S4112/A5549, Remote meeting capabilities for nonprofit corporations.** The NJ LAC actively supports this bill which permits nonprofit corporations (most common interest communities) to conduct meetings of members remotely, even if there is no state of emergency declared by the Governor.

**Status: SUCCESSFULLY PASSED AND ENACTED INTO LAW**

**S1951/A3367, Concerns installation of electric vehicle charging stations in common interest communities.** The NJ LAC successfully supported this legislation, which establishes standards to encourage the installation and use of electric vehicle charging stations in common interest communities. Under this legislation, common interest communities may adopt "reasonable rules" on the installation and use of electric vehicle charging stations, provided that the restrictions do not significantly increase the cost of the charging station or significantly decrease the efficiency or performance of the charging station.

**Status: SUCCESSFULLY PASSED AND ENACTED INTO LAW**

**S3285/A2360, Requires electric public utility to charge residential rate for service used by residential customer for electric vehicle charging at charging stations within certain designated parking spaces.** The NJ LAC actively supported this legislation, which requires an electric public utility to charge a residential rate for service delivered to a utility residential customer of record if the residential customer uses an electric vehicle charging station at a designated parking space located at the residential customer's premises or upon the premises of the planned real estate development where the resident resides.

**Status: SUCCESSFULLY PASSED AND ENACTED INTO LAW**

**Your Assistance is Needed**

The CAI NJ LAC may rely on professional lobbying as a vital and integral part of the legislative process. As volunteers, CAI NJ LAC members including homeowner leaders, community managers, and business partners, significantly rely on this highly effective professional representation. In addition to contributions from individuals, management companies and business partners, the CAI NJ LAC needs your financial support to bolster their advocacy activities in 2022 and beyond. We encourage donations from New Jersey community associations, business partners, and individuals. Please visit [www.caionline.org/lacdonate/](http://www.caionline.org/lacdonate/) and donate to “New Jersey” to support our continued efforts.

### **New Jersey CAI Contact Information**

- Community Associations Institute – New Jersey Legislative Action Committee  
[government@caionline.org](mailto:government@caionline.org)
- [Community Associations Institute New Jersey Chapter](#)
- [Community Associations Institute Keystone Chapter](#)
- Learn more about legislation tracked in New Jersey via [CAI’s Legislative and Public Policy Tracking Map](#)