

Community Trends®



LEGISLATIVE UPDATE

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Assembly Bill A5239 was introduced by Assembly Joe Danielson, District 17 (Middlesex and Somerset) on February 27, 2023. The bill is an existential threat to the proper functioning of common interest communities (CICs) and has now become one of our top priorities to defeat.

The bill has several horrific features including, without limitation:

1. It requires that elections be conducted and overseen by three association members who are to be randomly selected at least 120 days in advance of the election. These random unelected owners would function independently of the board and would be authorized to expend association funds in connection with the election in whatever manner they deem fit. This three person randomly selected election committee would have sole jurisdiction to resolve and report any claims of vote tampering or fraud in the election.

The aforementioned scheme would, for obvious reasons, be a recipe for disaster and would cede control from the elected board to unelected, random owners who may not have any appropriate qualifications, and who may be wholly unsuited to the role.

2. It provides that a meeting to remove a director can be called through a petition of only 10% of Association members, and that the recall vote shall be successful if the majority of a quorum, not a majority of all owners.

This provision would enable small minorities of owners to force expensive and unnecessary recall votes. In addition, it would permit duly elected directors to potentially be removed by a small minority of owners.

3. The bill would require the approval of a majority of all owners in good standing to authorize any spending over \$100,000 except in cases of emergency or when said expenditures are required by law (with a number of additional ridiculous requirements).

It would also require that any maintenance fee increase in excess of the Consumer Price Index to be approved by a majority of all unit owners in good standing.

“If enacted, this provision would cause much CIC business to grind to a complete halt...”

If enacted, this provision would cause much CIC business to grind to a complete halt, especially in larger CICs that routinely make significant expenditures to perform repairs, make payroll, and deal with other expenses.

Of course, this provision would also raise the specter of necessary and critical repairs not being performed and would likely lead to more building and balcony collapses and other terrible consequences.

While the bill purports to be in support of principles of democratic fairness, its absurd election committee requirement would have the opposite result. In addition, it would bog CICs, especially larger associations, down with endless, expensive votes.

We will make every effort to defeat this legislation. We urge you to contact your elected representatives to express your opposition to it. ■