

Community Trends



LEGISLATIVE UPDATE

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As we approach the end of the Legislative year, there are several things that New Jersey community associations should keep in mind:

1. The deadline for filing the information necessary to comply with the federal Corporate Transparency Act is the end of the year. Community Associations Institute (CAI) National currently has a pending lawsuit and application seeking to enjoin the law as applied to community associations. However, unless and until a judge grants an injunction, you must file by the end of the year. The filing website is <https://fincen.gov/boi>.

In connection with same, you may wish to seek guidance from management and attorneys regarding information security and best practices.

2. If your association does not have a reserve study, or if your reserve study is more than five years old, you must have an updated reserve study in place by the end of the year. In addition, and subject to the catch-up periods in the reserve funding law, you must also fund reserves in the manner required by the study. We strongly suggest that associations which are developing their budgets for 2025 consult with their reserve provider, professional management, and legal counsel to discuss your reserve funding strategy and legal compliance.

Additionally, we are pleased to announce that S3121, which requires municipalities to pay for the cost of fire hydrant maintenance, passed out of the Senate and Urban Affairs Committee on September 30, 2024. The bill will now go to the Senate Budget and Appropriations Committee.

As many of you may know, passing a bill requiring municipalities and water authorities to maintain private community fire hydrants in the same manner that hydrants are maintained for other taxpayers has been a high priority, and is currently one of our top legislative issues.

In that connection, former New Jersey Legislative Action Committee (NJ-LAC) Chairperson George Greatrex, Esq. and LAC member Paul Raetsch graciously agreed to attend the Senate Urban Affairs Committee and testify with regard to the bill. In particular, Paul provided incredibly impactful testimony about several fire losses that occurred due to faulty fire hydrant maintenance.

Hopefully the bill will begin to move. If it does, expect to receive an urgent LAC alert to contact your legislator to support the bill! ■

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