

Community Trends



LEGISLATIVE UPDATE

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Welcome to the CAI-NJ Annual Conference and Expo. There are a number of exciting presentations available, and we hope you join us at noon on the main stage for our New Jersey Legislative Action Committee (NJ-LAC) Update where we will discuss new or pending legislation that may impact your community.

You can expect updates on:

- The federal Corporate Transparency Act (and CAI National's legal challenge to same);
- The Federal Trade Commission ban on non-compete agreements;
- The status, reception, and challenges posed by the Structural Integrity and Reserve Funding legislation;
- The LAC's legislation priorities for the remainder of the legislative session.

One item that the LAC wants to note as we head into budget season for many associations is that coordinating the budget and the reserve study with the new legal requirements is one of a board's most critical tasks.

Directors have fiduciary obligations to:

1. Understand the new law;
2. Understand the reserve study; and,
3. Implement adequate reserve funding.

In order to properly discharge these obligations, boards and their managers need to go over a draft reserve study in depth, ask tough questions, and make sure that the study is as accurate as possible. This should be an interactive process with the reserve provider, management, building maintenance personnel, outside contractors and vendors, and legal counsel.

The long-term financial health of your association demands that level of attention. Of course, CAI and the LAC are available resources to assist you in this endeavor. ■

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