

Community Trends®

Legislative Update

Courtesy CAI-NJ



Christine F. Li, Esq., CCAL
Partner, Greenbaum, Rowe, Smith & Davis LLP
Legislative Action Committee, Chair

Here's to a new year, and another chance to get things done! As I begin my second year as Chair of the Legislative Action Committee in New Jersey, I continue to work with a committee of enthusiastic and dedicated members. Individually and collectively, the members possess tremendous knowledge and practical experience. With no prompting last year, members presented legislative update programs throughout the State, met with State legislators and governmental agency representatives, and drafted bills and then redrafted them when legislators and interest groups weighed in with their issues or objections. Most recently, on December 12, 2015, members of LAC met with representatives of the League of Municipalities in Trenton to discuss the Municipal Services Act. The LAC plans to tackle the reform of the MSA this year.

Lender Accountability for Property Maintenance.

In the final months of last year, CAI-NJ sent a letter to the mayors of all 565 municipalities in the State encouraging them to adopt an ordinance to compel lenders to maintain the exterior of abandoned residential properties in foreclosure. Under a recently adopted law, once a municipality has adopted such an ordi-

nance, lenders can be compelled to maintain the residences and be fined if the property falls into disrepair. The municipalities can also require out-of state lenders to designate someone within the State to be responsible for upkeep of the property.

We urge you to contact your local governmental officials to adopt an ordinance so that communities may benefit from P.L. 2014, c. 35. For our communities and the municipalities where they are located, there is no downside to compelling lenders to comply with the law. The law works to rout out lenders who stand idly by as homes become eyesores.

Pending Bills to Expedite the Foreclosure of Abandoned Properties.

Lenders conducting foreclosures of abandoned properties will be held accountable under bills providing for an expedited foreclosure process. LAC members have spent countless hours drafting and advocating for laws to expedite foreclosures which routinely drag on for years. A-3793 and S-2545 are bills which allow common interest communities to petition the court to force the lender to expedite foreclosure if the property qualifies as abandoned under the bill. The lender can either: (1) comply with the petition to expedite the foreclosure; or (2) pay the association fees until the foreclosure is completed. Alternatively, the bills would allow associations to apply for rent receivership if lenders are unwilling to proceed expeditiously. These bills stand to yield much needed financial relief and enhance the aesthetics of our communities.

New Jersey Law Revision Commission.

Changes to laws governing community associations were advanced last year by the New Jersey Law Revision Commission (the "LRC"). The LRC is empowered by State statute to promote the clarification and

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simplification of existing laws and, to this end, the LRC encourages the adoption of the model acts governing various disciplines. David Ramsey and Ronald Perl, who spent many years working on the adoption of the Uniform Common Interest Ownership Act and then the Community Association Reform Act in New Jersey, have taken the lead in discussions with the LRC, attending public hearings, and drafting model legislation. The goal is not only to advance the interests of the members of CAI, but to prevent CAI's interests from being overridden by other interest groups.

I encourage you to go to www.lawrev.state.nj.us to click on the "Current Projects" tab on the left-hand side, and then select "Uniform Common Interest Ownership Act." There you will see seven (7) detailed memoranda written by LRC staff between the months of April, 2015 and December 2015 (there may be others by the time this update reaches you) chronicling the discussion and position of the LRC and its consideration CAI concerns.

Reforming existing community management and operations.

On a path similar to LAC's efforts with the LRC, there are a number of bills which were

introduced in late 2015 with the stated intention of reforming existing laws and improving the management and administration of communities. Here is where LAC acts not to promote legislation, but to impede the advancement of or seek modifications to bills detrimental to the interests of CAI's membership.

Members of CAI serving as board members or as property managers for community associations know what tremendous dedication and effort goes into serving our communities. Even with that commitment, there will inevitably be dissatisfaction, sometimes triggering bills that are neither cohesive nor capable of dealing with the unique character-

istics of so many communities throughout the State. Legislation which, on its face, appears to have been introduced to respond to an isolated issue or complaint does little to resolve legitimate problems. Often they compound problems.

S-3235 (Kean, R-Union) was introduced with the stated purpose of compelling the distribution of public information about board members. By example, board members will be required to disseminate personal e-mail addresses. Contracts for management and maintenance would be required to include 24-hour emergency services. Bills have also been introduced by other legisla-

tors with the intention of reforming existing laws and common practices, such as the conduct of the election of board members. In the coming year, LAC will be focusing on several amendments and supplements to existing laws and regulations to address specific problems without merely imposing yet another layer of governance.

For the LAC, may the year be full of motivation, energy and progress. Please become part of that process by sharing your thoughts and ideas by emailing me at cli@greenbaumlaw.com.

I wish you much happiness, good health, and prosperity throughout 2016. ■