

2015 End of Session Report

Manager Licensure-SB 1367/AB 2908 provides for the licensing of common interest community managers and establishes the Common Interest Community Manager Board within the Department of Community Affairs to oversee their licensure. The board, to be appointed by the Governor, is to consist of nine members as follows: six licensed common interest community managers, except for those managers first appointed; two public members; and one member from a department in the Executive Branch of State Government.

As of the beginning of 2015, the bill has been released from committee in the Senate and remains pending before the Assembly Regulated Professions Committee while CAI NJ negotiates the anticipated cost of a licensure program with the Administration.

Fines for Failure to Maintain Vacant Properties-SB1229 authorizes municipalities to regulate the maintenance of vacant residential properties that are under foreclosure, and issue citations against creditors if those properties if their conditions are found to be in violation. It also requires out-of-state creditors to designate an in-state person or entity responsible for the care, maintenance, and upkeep of the property. The bill was signed into law by Governor Christie. With this new protection in place, CAI NJ is considering ways to help member communities encourage their municipalities to enact such ordinances.

Foreclosure Reform-AB 3793/ SB2545 concerns expedited process for foreclosing vacant and abandoned residential properties in uncontested actions. These bills amend the 2012 law that which provides an expedited process for residential mortgage lenders to foreclose vacant and abandoned residential properties. CAI NJ is working with the Sponsor to ensure that lenders can be compelled to either use this process or be responsible for the maintenance of properties and association fees, while applying the same remedies to uncontested foreclosures generally. The bills are pending consideration.

Inspection Fees-N.J.A.C. 5:10-1.12-Establishes fees for five year inspections conducted by Department of Community Affairs. This new rule adoption increases fees by a factor of 27.35%, rounding up to the next whole dollar increment. The result is estimated to be an increase of potentially over 30% for many of our member communities, which faced an increase of 19% during the previous Administration. The rules were adopted without changes to the June 2 proposal despite the efforts of CAI NJ and the New Jersey Apartments Association to mitigate the dramatic increase.

Community Association Reform-CAI NJ is working with legislators in both houses to introduce, on a piecemeal basis, elements of the earlier reform efforts known as the CARA. Bills with provisions we hope to improve include:

AB 469 concerns membership and management of homeowners associations. Its provisions include the assignment of title of common elements to an association and the even division thereof amongst unit owners; uniform priority assigned to the rights of unit owners in a common interest community (including, but not limited to reasonable inspection of business and financial records); procedures for the adoption and amendment of bylaws; and the election and recall of members of an association board.

SB 1938 "Owners' Rights and Obligations in Shared Ownership Communities Act." Which would implement the over 30 recommendations of the Assembly Task Force to Study Homeowners' Associations nearly twenty years ago.