



## 2016 End of Session Report

In looking back at the priorities the LAC had established at the beginning of 2016, we are confident that we approached each of our priorities with a strategic plan of both legal substance and the proper approach to convince our legislators and other industry groups that LAC's proposals on behalf of CAI-NJ would not only serve its constituency but would not adversely impact the universe of interests in which community associations operate and thrive. We began the year with four priorities: Manager licensing, the Municipal Services Act, election reform and mortgage foreclosure reform.

**Manager licensing** – After years of discussion and progress when the New Jersey Manager Licensing bill, [SB 1367](#), passed both the Assembly and Senate in 2014, Governor Christie pocket vetoed the bill in early 2015. The LAC decided to forego further pursuit of manager licensing, either in the form of licensing or possible alternatives of manager certification or registration. Perhaps there will be reconsideration when the administration changes. The opinion of CAI's members will be vital in determining the direction in which the LAC proceeds. The issue was introduced as A1985 in January 2016 but has yet to see consideration in committee.

**Municipal Services Act** – Another one of the LAC's priorities was the Municipal Services Act, with an eye toward expanding the services which municipalities are required to either perform or reimburse costs incurred by qualified communities. While [SB 2522](#) was introduced on September 12, 2016, requiring certain municipal authorities to inspect, maintain, and repair fire hydrants in planned real estate developments, the bill does not broaden the scope of the Municipal Services Act to encompass the costs borne by all our communities for its hydrants. The Municipal Services Act will continue to be one of the priorities of the LAC in 2017 since the Act is at the heart of fair and equalize treatment of the citizens of a single municipality.

**Mortgage foreclosure reform** – This was one of the priorities during 2016 and will continue to be given the high rate of mortgage foreclosures in the State and the drastic toll the protracted foreclosure process takes upon our communities. [SB 1832](#) is one of the bills on which the LAC supports in furtherance of an expedited process for foreclosing vacant and abandoned residential properties in uncontested foreclosure actions. Mortgage foreclosure reform will continue to be a priority as the LAC continues to make slow, but steady, progress.

Finally, the LAC identified election reform as one of its greatest challenges at the beginning of 2016, and it continues as such.

As we closed 2016, seven bills were pending in the Legislature, each with the potential of significant impact to communities. On December 5, 2016, LAC member, George Greatrex testified on the following bills at hearings

conducted by the Assembly Housing and Community Development Committee, with Tim Martin of CAI-NJ's lobbying firm MBI\*GluckShaw.

**Conflicts of interest** – [AB 358](#) sponsored by Assemblyman Sean Kean, prohibits conflict of interests by governing board members or management employees of homeowners' associations. The LAC opposes this measure.

**Developer control** – [AB 400](#), sponsored by Assemblyman Daniel Benson, makes homeowners' association in which developer's control of executive board has not been surrendered a public body under "Senator Byron M. Baer Open Public Meetings Act." The LAC opposes this measure.

**Master deeds** – [AB 2009](#), sponsored by Assemblyman Jerry Green, permits master deed of condominium to reflect proportional common and limited common elements interests of each owner as fractions. The LAC opposes this measure.

**Management** – [AB 2027](#), sponsored by Assemblyman Jerry Green, concerns membership and management of homeowners' associations. The LAC opposes this measure.

**Homeowner bill of rights** – [AB 2260](#), sponsored by Speaker Vincent Prieto, would enact the "Owners' Rights and Obligations in Shared Ownership Communities Act."

**Voting rights** – [SB 2492](#) and [AB 4091](#) would enhance resident voting participation rights in common interest communities. The LAC supports these measures. LAC members, David Ramsey and Michael Pesce, played a major role in the drafting of the bill. The bill is commonly referred to as the "Radburn" bill as it was introduced as a means of dealing with the oddities in the election process at the Radburn community in the Borough of Fair Lawn in Bergen County. The bill is intended to ensure that all owners in communities are voting members with the power, not only to nominate themselves but to run in an election of board members.

At the Annual Meeting and Chapter Retreat held on December 8, 2016, the LAC included as its priorities of A3683 on the treatment of deductibles imposed under association insurance policies, to the previous priorities of the expansion of the scope of the Municipal Services Act, mortgage foreclosure reform, and election reform. Election reform is one of the nine concerns addressed in the Uniform Common Interest Ownership Act (UCIOA) on which members of the LAC worked on for years. As the Radburn bill progresses, the LAC will direct its attention to other concerns addressed by UCIOA.

New Jersey operates on an even to odd year biennium so all legislation will be carried over and may be considered in 2017.