

2025 NEW JERSEY LEGISLATIVE SESSION REPORT



CAI's New Jersey Legislative Action Committee (NJ LAC) spent the 2025 legislative session advocating on behalf of the [approximately 1,480,000 New Jerseyites living in 562,000 homes in more than 7,500 community associations](#) across the state. New Jersey's legislative session began on January 14, 2025 and concluded on January 12, 2026, with pending legislation being carried over from the previous session. The legislature was in recess between July 1 and November 5, 2025 before reconvening in lame duck session on November 6.

In New Jersey, a "lame duck" session is the period after the November general election but before the new legislative term begins in January, where the outgoing legislature, often controlled by one party, rushes to pass significant or controversial bills, sometimes bypassing normal review for efficiency or to fulfill campaign promises, leading to quick, sometimes chaotic, legislative action with less public input.

The New Jersey Legislature operates on a two-year term, beginning in January of each even numbered year. All business from the first year carries over to the second, and any unfinished items expire at the end of the two years, with new sessions starting in odd-numbered years. Each two-year legislative cycle (like the 221st Legislature from 2024-2026) includes sessions for both the Senate and General Assembly, where bills are debated and passed. [Learn more about how laws are created in the Garden State.](#)

NJ LAC tracked over 60 pieces of legislation this session. Below is a brief overview.

SUPPORTING

CAI LACs support legislation that aligns with [CAI's public policy positions](#). If a LAC believes it may need to consider or adopt any legislative or regulatory position that would be in conflict with these official positions, it must submit a request for a deviation to be considered by CAI's Government & Public Affairs Committee and/or Board of Trustees.

Reserve Studies & Structural Integrity

In 2024, CAI helped pass a new law that requires new buildings to undergo inspection within 15 years. For subsequent inspections and existing buildings, buildings that are less than 20 years old must undergo inspections at least every 10 years. For buildings that are more than 20 years old, inspections must take place at least every 5 years. The law requires a capital reserve study prepared in accordance with national standards with a proposed 30-year funding plan. Reserve studies are required within one year if not done within five years of the law's effective date. Associations with planned real estate developments having less than \$25,000 in total common area capital assets are exempt. These requirements, inspired largely by [CAI's Condominium Safety Public Policy Report](#), aim to ensure financial readiness for maintaining common interest community assets over an extended period, promoting transparency and planning.

Throughout 2025, NJ LAC witnessed attacks on the state's landmark structural integrity/reserve funding law in both the legislature and the media. This law protects community association residents across the state from being subjected to unforeseen special assessments when common area replacements such as roofs require replacement. It also protects specific structure types against catastrophic events, such as the tragic 2021 collapse of Champlain Towers South in Surfside Florida. This legislation passed with bipartisan support and was championed as a national model that balanced safety and affordability.

NJ LAC **opposed** [S. 3852/A. 5016](#), which would have gutted the reserve funding and safety components of this law and force condominium residents to pay significant special assessments to ensure their communities are financially secure and structurally safe for themselves and future owners. If passed these bills would remove significant portions of the structural integrity laws signed in early 2024 following dedicated advocacy by NJ LAC in 2023.

NJ LAC **supported** [S. 3992/A. 5174](#), clean-up legislation introduced to clarify the 2023 bill's requirements and provide relief for homeowners in communities that have significantly underfunded their reserves. In connection with reserves, the word "adequate" is defined to mean reserve funding that does not allow the fund balance in the 30-year projection to fall below zero. Further, the bill requires those preparing reserve studies to include a baseline funding plan. The bill eliminated the prior funding relief of the original S2760 and replaced with a simpler version. For an association who is behind in funding. It allows the association of fund at 85% of zero baseline funding for five years. During that five-year period, each budget that is adopted must prominently identify that the association is not fully funding in accordance with the standard and must identify when there may be a need

for a special assessment or loan to capture the shortfall. Also, owners selling their homes must make the same disclosure to purchasers. NJ LAC encourages legislators to collaborate to improve this critical law rather than attempt to erase it and remove the protection it creates for homeowners.

Status: Clean-Up Legislation successfully Approved P.L.2025, c.132 on August 21, 2025.

S. 3121/A. 2480 – Fire Hydrants

NJ LAC **supported** this bill, which requires certain local authorities to inspect, maintain, and repair fire hydrants in planned real estate developments. CAI previously met with the bill sponsor's staff, as well as the NJ League of Municipalities to support the legislation. NJ LAC sent a letter to the League of Municipalities encouraging their support of this critical legislation.

Status: Bill unsuccessfully died.

S. 309/ A.5190 - Lithium-Ion Devices

NJ LAC **supported** this bill, which effectively targets the root cause of many fire incidents by prohibiting the sale of certain lithium-ion devices, establishing restrictions on sale, lease, or rental of certain bicycles and scooters containing batteries not certified by Underwriters Laboratory, and creating fire risk awareness campaigns. NJ LAC sent a letter in support of this legislation to the Prime Sponsor, Senator Stack, in January 2025. NJ LAC believes that by addressing substandard imports without banning these devices outright, this legislation balances safety with practicality and commends the bill's thoughtful approach to addressing safety concerns related to lithium-ion batteries. The bill's public education initiatives and reporting requirements would also equip residents and businesses with vital information on proper use, storage, and maintenance.

Status: Bill unsuccessfully died.

S. 2639/A. 3791 - The New Jersey Online Foreclosure Sale Act

NJ LAC **supported** this bill, which permits online foreclosure sales for real property. The bill lays out the requirements for a situation in which any sheriff or other officer or person authorized or required by statute, court directive, or other law to conduct an electronic, online foreclosure sale of real estate, may conduct the sale. As per CAI's [public policy on third-party lender foreclosures](#), NJ LAC endorses legislation that provides a fair and equitable foreclosure process by third-party lenders that protect homeowners, property values, and the financial health of community associations.

Status: Reported from the Assembly. Amended In Senate then unsuccessfully died.

S.265/A.3478 - PRIORITY LOWER FLOORS

NJ LAC supported this legislation as successfully amended, which requires owners of certain rental multiple dwellings of three or more floors to provide priority status to senior citizens and disabled residents moving to lower floors. This legislation was amended on the Senate floor to address CAI concerns, clarifying that the legislation does not apply to condominium units and cooperative tenants.

Status: Bill passed Senate, died after referral to Assembly Housing Committee.

OPPOSING

CAI LACs oppose legislation that is at odds with [CAI's public policy positions](#). If a LAC believes it may need to consider or adopt any legislative or regulatory position that would be in conflict with these official positions, it must submit a request for a deviation to be considered by CAI's Government & Public Affairs Committee and/or Board of Trustees.

New Jersey Housing and Mortgage Finance Agency (HMFA) Proposed Rule Change: 57 N.J.R. 1470(a) amending the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1, et seq. (UHAC)

In 2025 the New Jersey Housing and Mortgage Finance Agency (HMFA) proposed new regulations that would have had a significant impact on common interest communities across the state. Among other provisions, the proposed rules would have capped and/or prohibited certain common expense assessments and special assessments for affordable unit owners, effectively requiring all other owners within a community to subsidize those units.

NJ LAC took swift and decisive action in opposition to these regulations, submitting a comprehensive comment letter outlining concerns and engaging directly with key legislators and regulators through its lobbying firm. Advocates were also called upon to speak out in opposition. Ultimately, the HMFA agreed to fully withdraw its proposed regulations as they relate to common interest communities. This outcome represents another significant win for NJ LAC, and, most importantly, the communities it serves.

Status: Successfully collaborated with HMFA to fully withdraw its proposed regulations as they relate to common interest communities.

A. 5619 – Time-Barred Consumer Debt Litigation Claims

NJ LAC **opposed** this legislation, which does not align with CAI’s [public policy on Fair Debt Collection Practices](#). This bill prohibits revival of certain time-barred consumer debt litigation claims. The bill defines “consumer debt” to mean debt incurred by an individual primarily for a personal, family, or household purpose, and also includes consumer credit and medical debt

Status: Bill successfully died after passing committee.

S. 4130 – Inspection Information Distribution

NJ LAC **opposed** this legislation, which establishes for DCA and property management entities the responsibility to provide and maintain contact information for owners of residential rental property and planned real estate development associations. The bill requires a property management entity to provide DCA with the contact information of each residential rental property owner and the executive board of each development’s association, which the property management entity serves, on or before the 15th business day following the effective date of the bill. If the contact information of a residential rental property owner or executive board of a development’s association, which the property management entity serves, changes following the bill’s effective date, the bill requires the property management entity to provide DCA with the adjusted contact information on or before the 15th business day after the property management entity receives the adjusted information. Failing to comply with the requirements would lead to costs incurred for community association management companies.

Status: Bill successfully died

SEEKING AMENDMENTS

CAI LACs work with legislators to champion amendments to legislation to help the language better align with CAI’s public policy positions on any given topic impacting the community association industry.

S.1746/A.3538 - Homestead and Bank Account Exemptions

NJ LAC **sought amendments** to this legislation, which establishes homestead and bank account exemptions for persons in debt and increases existing exemption amounts for household goods. NJ LAC worked diligently with the Assembly sponsor to exempt HOAs from the legislation but was ultimately **unsuccessful** in amending it.

Status: Bill unsuccessfully died without amendments.

A. 2449 – Community Associations Board Member Training

NJ LAC [sought amendments](#) to this bill, which mandates by state statute the training of planned real estate development association board members. Specifically, the bill would require the Commissioner of Community Affairs to establish a program for the training of association members, who are elected to serve on the executive boards of planned real estate development associations. The bill would require at least three hours of training on the part of a board member, which would have to be completed no later than 180 days following the beginning of the board member's term of office. Additionally, the commissioner would have the authority to remove a board member who does not complete the mandatory training described in the bill. NJ LAC met with the sponsor of this legislation, Assemblywoman Quijano, who was initially willing to consider their amendment requests, but ultimately failed to do so.

CAI understands the importance of making board member education accessible to all governing board members. Per its [public policy on Board Member Education](#), CAI supports education and training to assist community association volunteer leaders (board members) in understanding and carrying out their responsibility to govern the community association they serve. A community association volunteer leader is a board member of a condominium, housing cooperative, townhome, homeowner association, or planned community. CAI encourages board members to obtain education in governing documents, fiduciary duties and duty of care, ethics and leadership, rules creation and enforcement, financials and budgeting, reserves and financial responsibilities, maintenance responsibilities, risk management and insurance, board and owner meetings, elections and responsibilities, and conflict resolution and community building.

Status: Bill unsuccessfully died **without amendments.**

S. 2347/A. 2792 – Accessory Dwelling Units

NJ LAC [sought amendments](#) to legislation, which concerns the development of accessory dwelling units and related municipal land use regulations. CAI's [public policy on Accessory Dwelling Units](#) supports the rights of residential common interest communities to reasonably regulate the development and placement of accessory dwelling units within their communities. CAI supports legislation that recognizes the core principle of self-governance and equitable sharing of common property and the expenses necessary to operate the community association housing model, while simultaneously permitting, but not mandating, that affordable housing be constructed on single family lots. As each residential common interest community is unique, legislation should recognize the need

for a particular community association to develop reasonable rules and regulations for accessory dwelling units consistent with that community's unique design, development, and operation. Such rules and regulations would necessarily include restrictions upon the design, materials used, size, and location of accessory dwelling units. CAI continues to advocate for amendments and has offered amendments to prevent unintended negative consequences for common interest communities.

Status: S. 2347 successfully amended and reported from Senate committee then died in Senate. A. 2792 successfully amended but not reported from Assembly committee.

A. 2450 - Community Association Manager Licensing

NJ LAC [sought amendments](#) to this legislation, which requires licensure of a community management entity that contracts to conduct management services for planned real estate development associations. NJ LAC met with the bill sponsor, who was willing to consider their amendment requests though ultimately did not incorporate them into the legislation. Per the bill, the Commissioner of Community Affairs must establish a system for the licensure of a community management entity that intends to contract with the association of one or more planned real estate developments to perform management services for the development. The commissioner must also establish experiential prerequisites that a person or entity shall be required to meet prior to obtaining a license as a community management entity. An entity shall not enter a new contract to serve as the community management entity for an association in New Jersey unless the entity has obtained a license from the commissioner pursuant to this section. If a person or entity is found to be in violation of this requirement, the commissioner may impose a penalty on the person or entity in an amount not to exceed \$4,000 per contract in violation. Per its [public policy](#), CAI encourages the self-regulation of the community management profession through professional certification and designation programs developed by industry professionals for the profession.

Status: Bill unsuccessfully died without amendments.

A. 5434 - Neighborhood Protection and Housing Affordability Act

NJ LAC [sought amendments](#) to this legislation, which prohibits short-term rental of transient accommodations in exclusively residential zones unless authorized by municipality. CAI's [public policy on Short-Term \(Vacation\) Rentals](#) strongly supports the community association housing model and recognizes that no two communities are the same. Further, CAI recognizes that the sharing economy phenomenon has significantly transformed the dynamics of renting property. The community association housing model succeeds when a true sense of community is cultivated and there is active homeowner

involvement based upon a culture of building consensus. In contrast, short-term visitors typically have no ties to the community, are not contractually bound by the association's established policies, and are generally not invested in the overall good of the community. The LAC sought amendments to clarify that short-term rentals would be permitted unless a community association prohibits it in their governing documents.

Status: Bill unsuccessfully died without amendments.

MONITORING

CAI LACs monitor legislation with the potential to impact those living and working in community associations across their state, as well as legislation that may indirectly or unintentionally impact community associations.

A. 2623/S. 116 - Home Business Jobs Creation Act

NJ LAC [monitored](#) this legislation, which sought to establish state guidelines for municipalities to follow in their treatment of home businesses in order to carefully balance the interests of home businesses with the needs of the residential area in which they operate. It classifies certain home businesses as permitted accessory uses. CAI's [public policy on Home-Based Businesses in Community Associations](#) recognizes that a residential community association may need to regulate non-residential activities within the community in order to maintain the residential character of that community. This includes the right to regulate non-residential activities that are conducted from or within individual homes in the community when the commercial nature of the activity interferes with the residential quality or disrupts or disturbs the quiet enjoyment or quality of life of the residents. CAI supports a community association's reasonable regulation of home-based businesses in a way that does not focus on the nature or type business conducted in the residence. CAI supports a community association's regulation of a home-based business based upon the current or potential impact of that business on the quality of life for residents in the community, the reasonable expectations of those who purchase homes in communities limited to residential uses; and, whether the non-residential or business use of the residence constitutes a nuisance in accordance with the community's governing documents.

Status: Passed by the Assembly. Reported from the Senate Economic Growth Committee with amendments; Died in Senate.

A. 4446/ S. 3390 – Notification of Pet Presence in Seasonal Rental Units

NJ LAC [monitored](#) this legislation, which requires notification of pet presence in seasonal rental units. Specifically, it requires the owner of a seasonal rental unit to notify a prospective renter, prior to contracting for accommodation, if a pet is regularly present, or will be present within two weeks preceding the scheduled stay of the prospective renter. The bill entitles a renter of a seasonal rental unit to sever the contract for the accommodation, and receive a full reimbursement of any payment made, if the owner fails to notify the renter, in violation of the bill. In order to benefit from these protections, the bill requires the renter to notify the owner within 12 hours of first entering the accommodation of the renter's decision to vacate early due to a purported violation. The intended purpose of this legislation was to protect renters of seasonal rental units, such those rented through platforms such as Airbnb and Vrbo and through more traditional vacation rental arrangements, who may have pet allergies, from unexpected exposures to spaces recently occupied by pets. This legislation places the burden of disclosure and the risk of loss on the homeowner.

Per its [public policy on pets and assistance animals](#), CAI recognizes and supports the rights of residential community associations to regulate and adopt their own rules pertaining to pets and assistance animals living in their communities. CAI also recognizes the rights of individuals with disabilities to receive the assistance they need and supports state and federal law guaranteeing such rights.

Status: Passed by the Assembly. Reported out by the Senate Community and Urban Affairs Committee; Died in Senate.

S. 1400- Uniform Partition of Heirs Property Act

NJ LAC [monitored](#) this legislation, which provides an alternative process for handling partition actions filed in court concerning real property with multiple owners, at least one of whom had acquired title to the property from a relative. The bill is based on the 2010 uniform act of the same name drafted and approved by the Uniform Law Commission (formerly known, and sometimes still referred to, as the National Conference of Commissioners on Uniform State Laws). It preempts some parts of the existing partition law in order to create new requirements for the process intended to better protect the interests of cotenant property owners who may object to another owner's action seeking to partition any property that meets specific characteristics and is referred to in the bill as "heirs property". It sets forth requirements for the owners of such property and guidelines for court proceedings.

Status: Approved P.L.2025, c.88 on July 8, 2025.

A. 5028 – Fire Barriers in Common Attic Areas

NJ LAC [monitored](#) this legislation, which requires all qualified residential buildings to have fire barriers in common attic areas over and above the separations between adjoining dwelling units. Open, unprotected common attic areas present a way for fires to quickly spread throughout a building, creating enormous risks to the safety of residents and firefighters. This bill would require that three-hour rated fire barriers be installed in these common attic areas to slow the spread of fires. This must be done within 180 days of adoption of the new law. The bill requires the Commissioner of Community Affairs to adopt common attic area fire barrier regulations, on or before the first day of the sixth month next following the bill's effective date, for both new construction and existing buildings that would require a retrofit.

Status: Bill died.

New Jersey Statutory Resource Corner

In New Jersey, the Planned Real Estate Full Disclosure Act ([Title 5:26-1](#)) applies to HOAs. The Horizontal Property Act ([Title 46:8A](#)) does not apply to HOAs, nor does the Condominium Act ([Title 46:8B](#)). The Cooperative Recording Act ([Title 46:8 D](#)) and the Nonprofit Corporation Act ([Title 15A](#)) also impact the operation and activities of homeowner associations in the state. In 2024, new [Structural Inspection and Reserve Study Requirements](#) were also established.

CAI PAC New Jersey

CAI New Jersey has a dedicated CAI political action committee. The PAC allows CAI to support candidates for office that advocate for well-reasoned legislation and oppose legislation that creates unnecessary burdens on the governance and operation of community associations. Consider [donating](#) to your CAI NJ PAC to help advance CAI's public policy positions in New Jersey. [Donate to your state's PAC today!](#)

Track NJ Legislation

CAI keeps track of legislation throughout the year, so you can stay informed. You can check the legislation that CAI is monitoring around the clock [here](#).

CAI NJ LAC and Chapter Contact Information

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CAI depends on professional lobbyists funded by community associations, businesses, and individuals to create the best public policy for the community association industry in New Jersey. [Learn More & Donate Today](#) by Selecting “New Jersey.”

Review CAI's Public Policy Positions



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