

# Community Trends®



## LEGISLATIVE UPDATE

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Throughout the year, I plan and look forward to the Legislative Action Committee issue of *Community Trends*®. This issue is a way for me to showcase to the CAI community the efforts of the LAC. LAC members get together monthly to discuss legislative initiatives and, from there, individuals further volunteer (or get volunteered) to draft amendments to legislation, correspond with State officials and legislators, meet with legislators, attend political events, and present to the CAI membership by way of programs, such as the legislative update programs and at CAI's Conference and Expo in October. There are also dedicated CAI members, such as David Ramsey, Esq. and Ronald Perl, Esq., who constantly work behind the scenes and support the LAC, even though they are not official members.

The LAC has attempted to broaden its reach to CAI-NJ members by means of my monthly column in *Community Trends*®. Complete copies of legislative update columns published in *Community Trends*® are posted in the Legislative News section on the home page of the CAI-NJ website, located at [www.cainj.org](http://www.cainj.org).

The opportunities that the LAC has to spread the word on its activities month-after-month (yes, it is sometimes as tedious and time-consuming as this may sound) often does not come close to the recognition that these dedicated community associations professionals and volunteers deserve. So, with this issue, I share the personal perspectives of individual members. Here's where we are and where we are going.

**Manager Certification/Registration.** If you followed the efforts in past years to license property managers, you will recall that a bill for manager licensing was passed by the Senate and Assembly early in January 2014. The bill was pocket vetoed by Governor Christie on January 21, 2014, due to the anticipated financial burden that the law would create. Caroline Record, Esq.

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takes you through the steps that the LAC has taken since then and the twists and turns which the CAI-NJ's efforts to accredit this industry have taken since then.

**Municipal Services Act.** The Municipal Services Act became effective in January 12, 1990, and the common sentiment of community associations is that much still remains to be accomplished for the law to operate in the manner contemplated when it was passed into law. Issues with the scope of the Act have been compounded by the changes in the types of common facilities and services which are now constructed as part of common interest communities, the operation, maintenance and replacement of which is the responsibility of the association, and not the

municipality. Paul Leodori, Esq. discusses the MSA and the focus of the LAC in seeking reforms.

**Zombie Foreclosures.** For those not familiar with the expression (and with attribution to Wikipedia), a zombie title is a real estate title that has stayed with the owner of a residential property after the mortgage lender has begun a foreclosure process (making the owner believe that the owner no longer owns) but then the lender does not finish the foreclosure process, thus leaving title in zombie (limbo) status.

George Greatrex, Esq. discusses the several bills in which the LAC has been involved, beginning with the law adopted in 2014 authorizing the expedited foreclosure of “vacant and abandoned” properties and another law requiring foreclosing lenders to ensure that the exteriors of vacant homes subject to foreclosure proceedings comply with local codes. From there, he updates us on current legislative initiatives.

**Condominium Lien Priority.** Since 2014, the Federal Housing Finance Agency has targeted the “super lien” priority, seeking its elimination. In New Jersey, condominium associations receive a priority of up to six (6) months of assessments over record mortgages and certain other liens. Steven Mlenak, Esq. discusses the efforts of CAI’s Federal Legislative Action Committee, in which the LAC in New Jersey, has been involved.

**Association Elections.** There is no limit to the disputes and disagreement that the conduct of community association elections and meetings raise – either in academic discussions or at the meeting you attended last evening that ran past midnight due to dissent. Recently, the issues raised at one community association in New Jersey highlighted the concerns which have long impacted the conduct

of community association meetings and elections, and Thomas Martin, Esq. discusses the role which proposed legislation might play in dealing with these problems.

**Community Association as Exempt Social Welfare Organizations.** Could your association qualify for an exemption from federal income tax on certain qualifying income? Does the public have full access to the Association either through direct access like parks, greenways, lakes, bike paths or through user fees such as golf courses and restaurants? Carol Koransky, CPA raises the possible applicability of a federal income tax exemption for communities with certain types of amenities and related fees.

**What is LAC?** Unstated most of the time (but sometimes expressed), the LAC members have all pondered the answer to the question of what is LAC, and why it matters. We suspect members of CAI-NJ have also asked this question and, more important, are interested in why LAC matters. Paul Raetsch, a Community Association Volunteer Leader member, asks this question and probes the answer in an entertaining (and sometimes challenging) quiz.

The LAC thanks CAI for dedicating this issue to the writings of the Committee, and I thank the members of Committee, and all who have contributed support over the past years. I welcome your thoughts on how the Committee may serve you even better. ■

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