

2024 New Jersey Legislative Session Report

Updated March 5, 2025

Community Associations Institute (CAI) New Jersey Legislative Action Committee (NJ LAC) spent 2024 advocating on behalf of the <u>approximately 1,485,000 New Jerseyites living in 557,700 homes in more than 7,150 community associations across the state.</u>

The New Jersey Legislature operates on a two-year term, beginning in January of each evennumbered year.

CAI NJ LAC Legislative Advocacy Overview

CAI's NJ LAC actively tracked over 80 critical bills during the 2024 legislative session. Below is a brief overview:

A.5174 & S. 3992 - RESERVE STUDIES

NJ LAC supports this legislation, which amends the initial Structural Integrity and Reserve Law to clarify a few aspects of the original bill. 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.

Status: House bill reported out of Assembly Committee, 2nd Reading. Senate bill Reported from Senate Committee, 2nd Reading

A.5016 & S. 3852 – STRUCTURAL INTEGRITY OF BUILDINGS

NJ LAC opposes two bills addressing the structural integrity of residential buildings unless amended. 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. In the wake of the tragic 2021 Champlain Towers building collapse in Florida, CAI and NJ LAC have engaged with New Jersey legislators in developing appropriate legislation to address building safety and replacement reserve funding on a statewide basis. The tragedy of Champlain Towers should never occur in New Jersey.



In 2023, 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 new 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.

Status: A. 5016 Introduced, Referred to Assembly Housing Committee. S. 3582 Introduced in the Senate, Referred to Senate Community and Urban Affairs Committee

A. 2450 – LICENSURE FOR COMMUNITY MANAGERS

NJ LAC opposes this bill unless amended. NJ LAC met with the sponsor of this legislation, Assemblywoman Quijano, who was willing to consider their amendment requests. A version of the bill that CAI would support is under review by the Assemblywoman. This bill would require the licensure of community management entities that contract to conduct management services for planned real estate development association. 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.



Status: Reported from Assembly Housing Committee and Referred to Assembly Appropriations Committee

A. 2449 – BOARD MEMBER TRAINING

NJ LAC is seeking amendments to this bill. NJ LAC met with the sponsor of this legislation, Assemblywoman Quijano, who was willing to consider their amendment requests. A version of the bill which CAI would fully support is under review by the Assemblywoman. This legislation would mandate 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.

Status: In Assembly Housing Committee

A. 3772/ S. 2334 – PROPERTY FORECLOSURES

NJ LAC sought amendments to this legislation, which would permit lienholders, including condominiums, to be able to demand the sheriff sale. This legislation permits the owner or their heirs to request that a property subject to a tax sale foreclosure be sold at sheriff's sale for the purpose of preserving equity in the property. The NJ-LAC unsuccessfully attempted to get the sponsors to extend that right to all lienholders, including condominium and Homeowners Association (HOA) lienholders. The LAC's recommended amendments were ultimately not adopted. This bill was carried over from the previous legislative session.

Status: Enacted effective July 10, 2024. P.L.2024, c.39



S. 3121/A. 2480 - FIRE HYDRANTS

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

Status: Referred to the Senate Budget and Appropriations Committee upon passing the Senate Community and Urban Affairs Committee on 9/30/24. Referred to the Assembly Community Development and Women's Affairs Committee in the Assembly

A. 1367 – TRANSFERING CONTROL OF HOA

NJ LAC is working with the bill's sponsor to amend this legislation, which would revise the statutes governing the control of a homeowner's association by the developer of a condominium, or other planned unit development, to limit the amount of time that a developer may control a homeowners' association. Under current state law, once 75% of the units in a condominium or planned unit development are sold by the developer, the association is governed by unit owners, and not the developer. This legislation is intended to prevent developers from continuing to maintain control of an association for lengthy periods of time to the detriment of the individual unit owners.

Status: In Assembly Housing Committee

S.1013 - INSURANCE DEDUCTIBLES

CAI LAC strongly opposes this legislation, which prohibits condominium associations from assessing insurance deductibles to individual unit owners or groups of unit owners.

Status: In Senate Community and Urban Affairs Committee



S. 2907 – INSTALLATION AND MAINTENANCE OF SOLAR PANELS IN COMMON INTEREST COMMUNITIES

NJ LAC opposes this legislation, which clarifies that homeowners' associations in common interest communities may not adopt or enforce a restriction, covenant, bylaw, rule, or regulation prohibiting the installation of solar collectors on the roof of any single-family home or any townhouse located within certain communities. Under current law, a homeowners' association may not adopt or enforce a restriction, covenant, bylaw, rule, or regulation prohibiting the installation of solar collectors on roofs of single- or multi-family dwellings that are maintained by the association.

Status: In Senate Community and Urban Affairs Committee

S. 762 – ACCESS TO MEETING MINUTES

NJ LAC opposes this legislation, which would provide the Commissioner of Community Affairs with the authority to impose a penalty on the association of a planned real estate development for failing to make executive board meeting minutes available to the association members in compliance with the existing requirements of the 1993 supplement to "The Planned Real Estate Development Full Disclosure Act." A penalty imposed by the commissioner pursuant to this bill would not exceed \$2,000 per meeting for which the minutes were not made available to one or more association members.

Under existing law, the association of a planned real estate development is required to make minutes of the proceedings of executive board meetings available to all association members prior to the next open meeting.

Status: Referred to the Senate Community and Urban Affairs Committee

A. 476 – ELECTION AND RECALL OF ASSOCIATION OFFICERS

NJ LAC opposes this legislation, which would establish standards for the election and recall of executive board members of common interest communities and required association member approval for certain expenditures. The bill would require associations to hold elections every two years under the administration of an independent election committee of association members who are neither current executive board members nor



candidates for the executive board and would have restricted the maximum terms of executive board members to two years. The bill would also limit the size of executive boards to three members for communities comprised of less than 11 homes, provide a default size of five members for the executive boards of all other communities unless the bylaws provide otherwise, and extend the election provisions of the "Planned Real Estate Development Full Disclosure Act" to include associations with less than 50 units.

The bill would also clarify an association's election notice obligations by requiring two written notices of an election, while existing law requires one notice. An association would be required to be sent the first notice no later than 60 days prior to the election and the second no more than 30 nor less than 14 days prior to the election. Associations would also be required to permit owners to vote anonymously for executive board members and to cast a ballot by mail, in person, or by electronic means.

The bill would also establish standard procedures for the recall and removal of executive board officers or trustees and provide that any member of the executive board may be recalled and removed from office, with or without cause, by a majority of the association members at a special meeting called for that purpose.

Status: In Assembly Housing Committee

S.265/A.3478 - PRIORITY LOWER FLOORS

CAI LAC supports 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: Amended on the Senate floor on 10/28/24 and has referred to the Assembly Housing Committee in the Assembly



A.3306 - VACANT AND ABANDONED RESIDENTIAL PROPERTIES

CAI LAC supports this legislation, which concerns expedited process for foreclosing vacant and abandoned residential properties in uncontested actions.

Status: In Assembly Housing Committee

S.309/A.5190 - LITHIUM-ION DEVICES

CAI LAC supports this legislation, which prohibits the sale of certain lithium-ion devices, establishes restrictions on sale, lease, or rental of certain bicycles and scooters containing batteries not certified by Underwriters Laboratory, and creates fire risk awareness campaigns. NJ LAC sent a letter in support of this legislation, was sent to the Prime Sponsor, Senator Stack, in January 2025.

Status: In Senate Transportation and Assembly Consumer Affairs Committees

S.1746/A.3538 - HOMESTEAD AND BANK ACCOUNT EXEMPTIONS

CAI LAC seeks amendments to this legislation, which establishes homestead and bank account exemptions for persons in debt; increases existing exemption amounts for household goods.

Status: In Senate Commerce Committee and Assembly Financial Institutions and Insurance Committee

A.2391/S.287 – CARBON MONOXIDE DETECTORS

NJ LAC seeks amendments to this legislation, which concerns carbon monoxide detectors in certain multiple dwellings and certain hotels. The amendments would limit the application of the bill to only certain buildings, creating exceptions for existing buildings and only applying to new ones.

Status: In Senate Community and Urban Affairs Committee and Assembly Housing Committee



A. 4458 – AUTOMATIC FIRE SPRINKLER SYSTEMS

NJ LAC monitored this legislation, which establishes exemptions and revises implementation timeline for requirement that newly constructed townhouses be installed with an automatic fire suppression system.

Status: Enacted effective 7/10/2024 P.L.2024, c.42

S.2188/A. 1970 - LEGIONNAIRES' DISEASE

NJ LAC monitored this legislation, which requires the Department of Environmental Protection, the Department of Health, owners or operators of certain public community water systems, and owners or operators of certain buildings or facilities to take certain actions to prevent and control cases of legionnaires' disease

Status: Enacted effective 9/12/2024. P.L. 2024, c. 66

S. 3192/A 4454 – REAL ESTATE CONSUMER PROTECTION ENHANCEMENT ACT

NJ LAC monitored this legislation. While it mainly applies to brokers and the buyers and sellers of real estate, community associations are impacted because property condition disclosure form must now be executed by the seller in every residential real estate transaction.

Status: Enacted effective July 10, 2024. P.L.2024, c.32

S.2347/A.4370/S. 1106/A. 2792 - ACCESSORY DWELLING UNITS

CAI LAC is closely monitoring this legislation, which concerns the development of accessory dwelling units and related municipal land use regulations. CAI continues to advocate for amendments and has offered amendments to prevent unintended negative consequences for common interest communities.

Status: Reported out of the Senate Community and Urban Affairs Committee Senate on 2/15/24. House bill in the Assembly Housing Committee



A. 3791 - NEW JERSEY ONLINE FORECLOSURE SALE ACT

NJ LAC monitors this legislation, 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, 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

A. 2623/S. 116 - HOME BUSINESS JOBS CREATION ACT

NJ LAC monitors this legislation, which seeks 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.

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

A. 4446/ S. 3390 – NOTIFICATION OF PET PRESENCE IN SEASONAL RENTAL UNITS

NJ LAC monitors 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.

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

S. 1400 - UNIFORM PARTITION OF HEIRS PROPERTY ACT

NJ LAC monitors this legislation, which would provide 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 would preempt 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: Reported from Senate Committee, 2nd Reading

S. 686/ A. 3919 – TRUSTS AND TITLE TRANSFERS

NJ LAC monitors this legislation, which would prohibit common interest communities from classifying members who place unit into a living, revocable trust as a transfer of title, thereby requiring the payment of a transfer fee.

Under current law, the governing documents of some associations could enable the association to derive a transfer fee when an association member sells or transfers a unit, assets, or shares or proprietary lease, including placing their unit into a living, revocable trust. This bill would have protected association members and senior citizens living in an association by prohibiting the association from charging any fees due on transfer of ownership by placing the property in a living, revocable trust. However, an association



would be able to charge a fee that is reasonably related to the costs incurred by the association in connection with a transfer of ownership.

Status: In Senate Community and Urban Affairs Committee and Assembly Housing Committee

A.4177 - "SEBASTIEN'S LAW"

CAI LAC monitors this legislation, which revises certain requirements for window guards in certain multiple dwellings.

Status: In Assembly Housing Committee

S.2904/A.1978 - INTERNET CAPABLE ROOM TEMPERATURE REPORTING DEVICES

CAI LAC is closely monitoring this legislation which requires Internet-capable room temperature reporting device installations in tenant-occupied multiple dwellings.

Status: In Senate Community and Urban Affairs Committee and Assembly Housing Committee

A. 4779 – TAX CREDITS FOR INFRASTRUCTURE IMPROVEMENTS

NJ LAC monitors this legislation, which would provide a refundable gross income tax credit to resident taxpayers for a portion of homeowners' association assessments that are paid by taxpayers for primary residences within any common interest community, and which are used by the association to support infrastructure improvements within the community. A taxpayer would be eligible for the credit regardless of whether the primary residence is subject to property taxes or an agreement for payments in lieu of taxes ("PILOT Agreement"). Specifically, the homeowners' association infrastructure improvement tax credit would equal the amount of "homeowners' association assessments constituting infrastructure improvements" paid by the taxpayer during the taxable year.

Status: In Assembly Housing Committee



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 us 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 PAC to help advance CAI's public policy positions in New Jersey. Donate to your state's PAC today!

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