

PENDING LEGISLATION WOULD REQUIRE STRUCTURAL INSPECTIONS OF CERTAIN CONDOMINIUM AND COOPERATIVE BUILDINGS AND ADEQUATE FUNDING OF RESERVES

One of the more significant pieces of legislation to affect condominium associations and cooperatives in New Jersey in recent memory is **S2760/A4384**. Introduced and sponsored by Senator Troy Singleton (Burlington) and Assemblywoman Yvonne Lopez (Middlesex) in response to the collapse of the Champlain Towers condominium building in Florida in which nearly 100 residents tragically died, the bill is intended to prevent such tragedies here in New Jersey. As conceived and drafted, it would require periodic structural inspections of certain new and older condominium and cooperative residential buildings, and further require adequate funding of reserve accounts to ensure sufficient monies are available when repairs and replacements of such buildings becomes necessary to ensure the safety of their occupants.

The need for this legislation was made even more evident earlier this summer when a balcony of a condominium mid-rise building at the Jersey Shore collapsed and killed a worker on the site. It was hoped that the bill would be expeditiously debated and voted on by the Legislature this summer, but it has been learned that due to opposition lobbying efforts by a few groups the bill will not be scheduled for full votes by the two chambers until the Legislature's lame duck session this coming November and December. The bill's provisions could change by that time, and we will be monitoring those changes as we near the time for it to be voted on.

Regardless of the status of this legislation requiring mandatory inspections and reserve funding, these are common sense measures which should be taken by all common interest communities (CICs) in New Jersey (and across the country). Indeed, the vast majority of CIC governing documents require reserve studies be periodically conducted and maintenance and replacement reserves be funded. The time is **now** to review the condition of your association's capital assets and its level of funding of its capital reserves. If you have questions regarding this bill or your association's duty to promote the health, safety and welfare of its members, contact any of the members of Hill Wallack's Community Associations Department.