



Know Your Rules. Protect Your Rights!

UNDERSTANDING POWER IN COMMON-INTEREST COMMUNITIES



PRESIDENT'S MESSAGE

CICS FALL SHORT OF REAL GOVERNMENTS

Why are owners expected to police the very system that governs them? A closer look at the structural flaws behind recurring community conflicts.

Read the story on page 2.

BIG PICTURE

BOARD CANDIDATES: KNOW YOUR RIGHTS

Running for a seat on your association board? In this recent C-IHC complaint. Sitting board members seeking reelection had access to the email addresses of all property owners

Read the story on page 4.

PRO TIPS

HOW TO COMPLAIN

If you have filed a complaint with the State and feel frustrated that nothing has happened, you are not alone. But before you give up — or file again — there are some things you should keep in mind.

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President's Message



I first began addressing association problems back in 1996 as founder of the DCA's Association Regulation Unit. Within months, it was clear the problem was systemic: buyers were not adequately informed about what to expect in a common-interest community (CIC), particularly its serious pitfalls.

Unlike our elected governments, CICs have no separation of powers. All authority is vested in a governing board, and the law provides owners with only minimal protections that, crucially, lack effective enforcement. Compounding this, nothing in the law mandated fair election standards.

Our nation's founders understood the danger of centralized power and deliberately created three equal, independent branches of government. CICs lack this structure, and that absence is the root cause of most owner grievances.

Effective owner protection begins with limiting what boards can do — either by statute or without owner approval. Today, owners are subject to a governance system designed by the developer's attorney. This makes little sense. When we severed ties with England, we didn't simply adopt King George's governing framework. Likewise, once owners take over a development, the law should allow the developer's restrictions to expire and give owners a defined period to rewrite the governing documents. Owners — not developers — should decide what powers a board may exercise without an owner vote.

The result of the current system is a hodgepodge of governing documents shaped by developer attorneys' preferences. Worse, protective statutes frequently defer to those very documents on key standards. Predictably, association documents almost never empower owners. Systemic legislative change is the only path to real protection.

The legislature assigned oversight of owners to the same Department tasked with protecting prospective purchasers — the DCA — which waited over 17 years before taking meaningful

action. To this day, the DCA has not produced the sample standard governing documents required under the Planned Real Estate Development Full Disclosure Act (NJSA 45:22A-48), nor has it enforced provisions such as Section 48.2, which prohibits interference with solar collectors.

Another core flaw: most associations were formed under the Non-Profit Corporation Act (NPCA), which is wholly inadequate for CICs. The NPCA was designed for voluntary corporations, and its only guidance on elections is that they be conducted "with fairness to all members." It is fundamentally wrong to govern what are essentially mini-governments as if they were ordinary corporations — especially ones in which membership is truly voluntary and easily ended.

Fortunately, in 2017 the legislature enacted election protections specific to CICs, explicitly recognizing that associations are creatures of State law, wield significant power over residents' lives, and must operate according to democratic values. That was an important step.

One key advantage CICs have over our federal system: the State itself is a superior authority capable of providing oversight. At the federal level, we are witnessing how the lure of power can erode even carefully designed checks and balances. CICs would do well to heed that lesson and press for structural reform before problems deepen.

Owners, as State voters, have the power to compel their representatives to act. One immediate reform worth pursuing: requiring the State Attorney General to enforce specific statutory requirements — such as mandatory reserves or solar access protections — so that owners are not left to enforce the law themselves.

The election reforms of 2017 have helped, including owners' ability to remove board members by petition. But written protections mean nothing without enforcement. Owners filing complaints through the ARU (Association Regulation Unit, Bureau of Homeowner Protection, Division of Codes and Standards, DCA) must understand its limitations — it cannot act beyond its defined scope, which leaves many legitimate grievances unaddressed. That gap is precisely why further legislation is both necessary and long overdue.

-Ed Hannaman President, C-IHC

You Don't Pay for First-Round ADR!

Does your association want to charge you for alternative dispute resolution (ADR)? That is not permitted under state law. Whether the claimed expense involves the ADR provider, association attorney, facilities, insurance, or any other cost on an owner, the initial round of ADR must be treated as a common expense – paid by the association.

The New Jersey Condominium Act makes this clear. Under NJSA 46:8B-14, ADR is part of the association's statutory duties, "the costs of which shall be common expenses."

Some association defenders argue that Subsection 14k—the specific ADR provision—does not expressly state that ADR is a common expense. While technically true, that argument ignores the structure of the statute itself. Subsection 14k is not a standalone provision. It appears *within* Section 14, which begins by stating that the costs associated with the listed duties are common expenses. The statute then sets forth duties from subsections (a) through (k), including ADR. It would be both illogical and contrary to basic principles of statutory construction to claim that every duty in Section 14 qualifies as a common expense except ADR. Importantly, Subsection 14k contains no exception to the common-expense requirement established in Section 14.

The same principle applies to associations governed by the Planned Real Estate Development Full Disclosure Act (PRED). Section 44c of PRED requires ADR, and Section 44 broadly grants association powers and responsibilities that are likewise treated as common expenses. Courts have logically interpreted the Condominium Act and PRED consistently, providing the same ADR protections across all common-interest communities. After all, condominiums are a form of planned real estate development.

The bottom line: *Whether you are an owner who lives in a condominium, cooperative, or HOA, you are entitled to access basic ADR as a common expense of the community.*

This "no charge for ADR" rule applies to initial or basic ADR procedures. Many associations offer an optional second level of ADR at the owner's discretion, and charging for that additional process may be permissible.

If an association attempts to charge you for basic ADR, file a complaint with the Association Regulation Unit within the Bureau of Homeowner Protection of the New Jersey Department of Community Affairs (DCA).

Thank You for Getting in Touch!

C-IHC appreciates learning of the problems and abuses owners are facing. These assist in focusing our attention on remedies. We offer individuals general guidance and information.

Our goal is to remain focused on the big picture; specifically, protecting the rights of all common-interest homeowners through education, changes to laws and improved enforcement. Please remember that we are an all-volunteer organization. Therefore, we are not able to respond quickly to specific time-sensitive issues such as those involving an imminent election or an ADR. Thank you for understanding that while we appreciate learning of an issue, we may not always be able to respond in the time you desire.

Having problems with your association? View and download our complete Q&A at www.c-ihc.org/resources.

Board Candidates: Know Your Rights

Every so often you get some genuinely hopeful news — and this is one of those moments.

In this recent C-IHC complaint, sitting board members who were seeking reelection had access to the email addresses of all property owners — and used that access to campaign. Competing candidates were denied that same information. That is not a level playing field, and you do not have to accept it.

Here is why you have recourse. Section 45.1d of the Election Law — part of the Planned Real Estate Development Full Disclosure Act (PREDFDA) — requires that trustees be elected *"in a fair and open manner."* If you or anyone else has been shut out of resources that incumbents are using to their advantage, that principle has been violated — and you can act on it.

Because PREDFDA is administered by the Department of Community Affairs' Association

Regulation Unit (ARU), that office has the authority to compel your association to comply with basic fairness requirements. You are not powerless. The ARU exists precisely for situations like this.

If you witness a blatant violation, file a complaint. But be strategic about it. The ARU cannot pursue every claim of general "unfairness," so you need to focus your complaint carefully. Under NJAC 5:26-8.14, the ARU's jurisdiction covers the *specific* election requirements set out in the Regulations — requirements that are concrete and objective. Before you file, ask yourself: Does my complaint point to a specific regulatory violation, or is it a broader grievance? The stronger and more targeted your complaint, the better your chances of ARU action.

You have rights. Use them wisely.

Pro Tips: How to Complain

by Ed Hannaman, C-IHC President

If you have filed a complaint with the Department of Community Affairs' Association Regulation Unit (ARU) and felt frustrated that nothing happened, you are not alone. But before you give up — or file again — there are some things you should keep in mind.

Know What the ARU Can and Cannot Do

The ARU's authority is strictly limited by statute. It can only act in four areas: open meetings, financial record access, dispute resolution, and elections. Even within those areas, its reach is not unlimited. If your complaint is that your board is hostile, generally mismanaged, or corrupt, the ARU cannot help you. Corruption allegations require a court action based on fiduciary standards — or, in extreme cases, criminal prosecution. And be aware: the prosecutor's office will not launch an investigation based on allegations alone. You will need to provide concrete supporting facts that meet criminal standards.

Read the Law Before You File

Before submitting a complaint, read the relevant sections of the Planned Real Estate Full Disclosure Act (PREDFDA), specifically NJSA 45:21 et seq., Sections 44c and 46a. Also review NJAC 5:26-8.2(c) and (d), which cover dispute resolution and open meetings. The most detailed guidance you will find is in the Election Regulations, NJAC 5:26-8.9 through 8.11.

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How to Complain, continued

One provision worth noting — Section 44b — states broadly that an association must act to promote the health, safety, and general welfare of residents. However, do not build your complaint around it. Provisions this broad invite debate, and the ARU, with its limited resources, is not equipped to adjudicate them. That kind of dispute belongs in court, where both sides can present facts and argue the merits.

Present Your Facts — and Only Your Facts

The ARU staff knows nothing about your situation except what you put in front of them. That makes clarity essential. When owners are frustrated — understandably so — complaints often turn into emotional diatribes that bury the real issue. Resist the urge to call someone and vent. Instead, write your complaint out, then revise it with one guiding principle: *just the facts*. Identify every person by their title or relationship to the issue. Be specific. Be concise.

Be Completely Honest

This should go without saying, but include the full picture. The ARU routinely checks with the association, so omitting obvious facts will only hurt your credibility. Common pitfalls to avoid:

- **ADR complaints:** Don't claim you were denied alternative dispute resolution if you never formally requested it, requested multiple adjournments without cause, or objected to the ADR provider without a valid basis. The only statutory grounds to disqualify an ADR provider are if they are a board officer, board member, or a unit owner involved in the dispute.
- **Record access complaints:** Don't demand every financial record from the last ten years when what you actually need is, say, landscaping invoices from the past two years. Be precise. Also note that the ARU can compel *access* to basic financial records — it cannot compel the association to deliver records to you, nor does it have authority over contracts, bids, or other business records.

The Bottom Line

Learn the limits of ARU jurisdiction. Frame your complaint within those limits. Present only the facts that matter. And respect that the unit is handling many complaints at once — the clearer and more focused yours is, the better your chances of getting results.



New Jersey Legislature: Legislation to Watch Spring 2026

Compiled by Joyce Murray, C-IHC Board

Legend

A = Bill in the Assembly S = Bill in the Senate

Y = C-IHC supports; Q = C-IHC supports with amendments; O = C-IHC opposes

PA = passed Assembly PS = passed Senate PBH = passed both houses. Pamphlet Law = enacted

If there is no designation, C-IHC has not taken a position on the legislation

Updated May 14, 2026 | 2026–2027 Legislative Session | c-ihc.org

IMPORTANT: The NJ Legislature operates on two-year sessions. The 2024–2025 session ended January 2026. Bills not enacted by that date expired and must be re-introduced to remain active.

Note: Assembly bills are listed first. Identical Senate bills are listed next to the Assembly bill, and not re-listed with standalone Senate bills. For identical bills, only the Assembly bill hyperlink is provided. See: www.njleg.state.nj.us for updates.

[A318](#) /S146 Asms. Kanitra and McGuckin; Senators Hozafel and Amato
C-IHC = Q

Modifies requirements for associations to protect structural integrity of certain buildings; expands timeframes for associations to establish adequate reserves.

[A713](#) /S65 Asm. McGuckin, Kanitra; Sen. Holzapfel
C-IHC = Y

Requires mortgage lenders to maintain vacant, age restricted dwelling units during foreclosure.

[A1138](#) Asm. Danielson
C-IHC = Q

Provides standards for election and recall of officers for associations of planned real estate developments and restricts certain expenditures.

[A1572](#) Asm. Kean
C-IHC = Y

Prohibits conflict of interests by governing board members or management employees of homeowners' associations.

[A1946](#) /S4157 Asw. Quijano and Renolds-Jackson; Sen. Cryan
C-IHC = Q

Requires training of planned real estate development association board members.

[A1947](#) /S4158 Asws. Quijano and Renolds-Jackson / Sen. Cryan
C-IHC = Q

Requires licensure of community management entity that contracts to conduct management services for planned real estate development association.

[A2635](#) Asm. DePhillips
C-IHC = Y

Requires personnel at gated communities and multi unit complexes to allow service of process.

[A2832](#) /S791 Asm. Rumpf, Myhre, and Sauickie; Sen. Singer
C-IHC = Y

Prohibits common interest communities from penalizing members who place unit into living, revocable trust fund or classifying placement as title transfer.

[A2995](#) Asm. Peterson
C-IHC = Y

Clarifies DCA's authority to ensure planned real estate development builders comply with disclosure requirements.

[A2999](#) Asm. Peterson
C-IHC = Y

Requires developer under "The Planned Real Estate Full Disclosure Act" to post bond with DCA and provides for more accountability to owners in common interest community.

A3314 Asm. Sampson**C-IHC = Q**

Limits increase in association dues for unit owners in association of planned real estate development to 10 percent under certain circumstances.

A3466 Asw. Lopez**C-IHC = Y**

Requires association of age-restricted common interest community to permit dwelling owner to transfer property without regard to age of buyer. (Note: this is actually the state of the law now, but needs to be spelled out to many associations).

A3937 Asm. Karabinchak**C-IHC = Y**

Requires electric public utility to charge residential rate for service used by residential customer for electric vehicle charging at charging stations within certain designated parking spaces.

A4210 Asw. Murphy**C-IHC = Q**

Establishes "Common Interest Community Task Force."

Note: Bill does not require member of task force who represents solely owner interests.

A4212 Asw. Murphy**C-IHC = Q**

Expands DCA oversight over common interest communities; establishes trust fund, advisory council, and ombudsman office.

A4474 Asm. Sauickie**C-IHC = Y**

Provides gross income tax credits for portion of homeowners' association payments used to fund infrastructure improvements within common interest communities.

A4785/S118 Asm. McGuckin; Sen. Holzaphel**C-IHC = Q**

Requires installation of emergency power supply systems to certain common areas of new planned real estate developments; provides related tax incentives.

SENATE BILLS**S1263 Sen. Greenstein****C-IHC = Y**

Requires certain local authorities to inspect, maintain, and repair fire hydrants in planned real estate developments.

S1843 Sen. Tiver**C-IHC = Y**

Restricts occupancy of dwelling unit in age-restricted community to older adults following resale.

S2743 Sen. Johnson**C-IHC = Q**

Establishes penalty on planned real estate development association for failure to provide association members timely access to certain meeting minutes. (Note: the penalty would payable by the members, not the board).

S2949 Sen. Mukherji**C-IHC = Q**

Concerns inspection information distribution; provides DCA and property management entities with certain responsibility to provide and maintain contact information for owners of residential rental property and planned real estate development associations. (Note: DCA does not currently maintain a registry of associations).

S3050 Sens. Wimberly and McKnight**C-IHC = Y**

Creates program for installing standby emergency power generators in new senior housing.

S3348 Sen. Turner**C-IHC = Q**

The "Owners' Rights and Obligations in Shared Ownership Communities Act."

[S3406](#) Sen. Bucco**C-IHC = Q**

Permits association of planned real estate development to file application with Department of Community Affairs to lower reserve fund obligations based on risk-mitigating features of development.

[S3561](#) Sen. Greenstein**C-IHC = Y**

Prohibits condominium associations from assessing insurance deductibles to individual unit owners or groups of unit owners.

[S3562](#) Sen. Greenstein**C-IHC = Y**

Concerns installation and maintenance of solar panels in common interest communities.

[S4104](#) Sen. Testa**C-IHC = Y**

Establishes procedure to dissolve common interest community by constituent homeowners.

[S4175](#) Sen. Stack**C-IHC = Y**

Provides sales and use tax exemption for certain purchases made by certain common interest communities in UEZ.

Selected Resources for Owners

Go to the [Resources](#) page on our website for additional useful links.

C-IHC Q&A Guide: Authoritative answers to your most common homeowner questions.

- [Download the C-IHC Q&A Guide](#)

Petition for Elections: Late elections? NO elections?

- [Use this downloadable PETITION to force your board to comply with the law!](#)

Talk With Other Owners: Would you like to talk about your community issues with us and other association homeowners?

- [Join the discussion on our Facebook page!](#)

Guidance from the State: Do you need help with regulations, security and other issues? The New Jersey Department of Community Affairs (DCA) offers resources for you.

- [Download DCA's Handbook](#)

How does the DCA handle complaints? What can the state do if you are having trouble with your association? You'll find the answers to these questions and more in these forms.

- [Download DCA's Q&A](#)
- [Download DCA's Complaint Form](#)
- Call the DCA's Bureau of Homeowner Protection: (609) 984-7905, ex 5

**Find more resources and support us through our website at www.c-ihc.org.
Join the conversation on our [Facebook page](#).**

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