

Condo Insights

#54 Electric vehicles – Part 1: Charging stations

Each year more New Jersey residents are buying and registering electric vehicles. As of June 2024, there are about 184,000 electric vehicles registered in the state – almost 30,000 more than the previous year, according to data from the New Jersey Department of Environmental Protection (NJDEP). By 2035, all newly sold cars and light duty trucks in New Jersey need to be either battery electric, plug-in hybrids or fuel cell vehicles. The law is designed to improve air quality, provide cleaner choices for new car buyers, and lower the state's greenhouse gas emissions.

What does this mean for community and condominium associations in Southern New Jersey? It can be expected that community and condominium associations will receive requests from electric vehicle (EV) owners to install EV charging stations on association property. Condo boards should refer to the New Jersey statute, N.J.S.A. 45:22A-48A: Electric vehicle charging stations in common interest communities.

Are community and condominium associations required to install EV charging stations, or to allow unit owners to install EV charging stations? According to the Statute cited above, it depends.

If the association does not have designated spaces, that is, if any of the parking spaces within a community or condominium association are open for use by any member, then the decision whether to install an EV charging station lies with the association board of directors. The board may decide either to not to install EV charging stations; install EV charging stations for use by all association members; or the board may grant the exclusive use of a common area parking space by a unit owner for the purposes of installing an EV charging station for the unit owner's sole use.

If the board decides to install EV charging stations, community and condominium associations can access rebates and grants to help cover the cost of installing EV charging stations through programs like "It Pay\$ to Plug In" administered by the NJDEP, which offers funding specifically for multi-unit dwellings like condominiums with a minimum of five units. These funds can be used to offset a portion of the cost of purchasing and installing EV charging stations. While grants and rebates may be available for the association, individual owners that use the charging station are still responsible for the cost of charging their own EVs.

If the association has designated parking spaces, that is, if each association unit owner is assigned or deeded a parking space for their own specific use, then the association board may not prohibit or restrict the installation or use of EV charging stations in the unit owner's designated parking space. This is an important distinction: if your association has designated parking spaces for use by a specific unit owner, that unit owner may install an EV charging station for their sole use when parked in their designated space. New Jersey requires that community and condominium associations must approve the installation of an EV charging station if a unit owner complies with certain conditions.

Condominium associations may put reasonable restrictions on EV charging stations, but the policies may not significantly increase the cost of the EV charging station or prohibit installation. Unit owners must comply with applicable construction and safety codes and architectural standards, engage a licensed installation contractor, and provide a certificate of insurance. The unit owner is responsible for the cost of the installation, operation, maintenance, repair, removal, or replacement of the station in their parking space, as well as any resulting damage to the EV charging station or surrounding area.

Associations would be well served to establish policies regarding installation and use of any EV charging station located on association property. The association board should require unit owners to submit an application for installation of an EV charging station. The EV charging station application process should be similar to the existing association process for review and approval of exterior or architectural modifications.

An association EV charging station policy should require that only licensed contractors install an EV charging station, including all necessary improvements and signage; only licensed electricians install all necessary electrical infrastructure in compliance with the association's architectural standards; the unit owner obtain, maintain, and provide evidence of insurance protecting the association and the other unit owners from damage as a result of the EV charging station; that the unit owner pay for the electricity usage associated with the electric vehicle charging station; and that the unit owner pay for reasonable charges imposed by the association to recover the costs of the review and approval of an application for the installation and use of an EV charging station, including, reasonable engineering and legal fees.

The policy should clearly state that the unit owner is responsible for any and all operation, maintenance, repair, and replacement of the EV charging station, the electricity usage associated with the EV charging station; all installation costs associated with the EV charging station; and any costs or requirements imposed by State and local authorities. If an association determines that the amount of electricity attributable to EV charging stations requires the installation of additional infrastructure, then the association may require the unit owners who have installed or applied to install EV charging stations to cover the cost of the additional infrastructure.

What about when the owner that installed the EV charging station sells? The unit owner has the responsibility for disclosing to prospective buyers the existence of the EV charging station and the unit owner's related responsibilities and obligations as they apply to the charging station.

The association policy should include consideration that each successive unit owner is entitled to use the EV charging station and is responsible for any and all operation and maintenance to the EV charging station, any and all operation, maintenance and damage to the parking space, any common or limited common elements, any property belonging to other unit owners, if such damage resulted from the installation, maintenance, repair, removal, or replacement of the charging station. The unit owner should also be responsible for restoration of the area after removal of the EV charging station.

Can EV owners just plug in to a common exterior electrical outlet to charge their electric vehicles? That decision is up to the board. Considerations include the inability to measure usage, so whatever charge is imposed would be based on an overnight fee. Charging an EV from a standard household outlet, also known as Level 1 charging, adds about 4 to 5 miles of range per hour, so an overnight charge can add 36 to 40 miles of range and a full charge can take about 24 hours. Additional considerations include the presence of extension cords, which could be trip or load hazards, and the fact that many associations have limited parking, making it difficult to allocate specific spaces for EV charging.

Installing an EV charger may provide an association with a competitive edge to attract buyers and engage current EV owners.

Jim Yost owns Elite Management and Advisory Services, LLC and is Managing Partner for Ocean Property Management Corporation, based in Wildwood. The firms manage numerous community, condominium and homeowner associations in southern New Jersey. He can be reached at yostopmc@comcast.net. Past columns are available online at www.oceanpropertymgmt.com.

Karim Kaspar, Esq. is Senior Counsel with Lowenstein Sandler LLP. He serves as general counsel to numerous community and condominium associations throughout New Jersey. He specializes in complex commercial litigation and real estate matters and has been active and instrumental in the firm's pro-bono activities. He can be reached at kkaspar@lowenstein.com.