



Pennsylvania Legislative Action Committee

Background

Community Associations Institute's Pennsylvania Legislative Action Committee (CAI) represents the interests of an estimated 2.8 million Pennsylvania residents, comprising nearly one-fourth of the state's population, living in approximately 10,000-12,000 condominium associations, cooperative associations, and planned communities (homeowner associations) throughout Pennsylvania. CAI's members include volunteer homeowner leaders, professional managers, professionals, and other practitioners who provide products, support, and services to community associations.

A community association, also known as a common interest ownership community, is a private, non-profit organization of owners who share common ownership of, and maintenance responsibilities for, portions of their communities. It is established by a declaration of covenants, easements, and restrictions recorded by the developer in the county recorder's office. The terms of the declaration are governed by state law. The bylaws of a community association govern how the association should function, including how often meetings of members are held, how many members are needed for a quorum, how often the board of directors of the community association meets, and how the board of directors is elected. The primary responsibility of an association is to provide for the maintenance and operation of common facilities. In order to provide this service, the community association levies assessments. The developer of the homes that eventually comprise the association appoints the first board of directors. These directors are replaced in an election by homeowners once homes are sold. When enough homeowners live in the association, the developer no longer holds a majority vote on the association's board.

CAI also serves as a free and reliable resource for state and federal legislative offices across Pennsylvania. Should your constituents have questions or concerns about their community associations let CAI help you help them.

Legislation

Generally, there are three laws in Pennsylvania that regulate the activities of common interest ownership communities: the Uniform Condominium Act (covers condo associations), the Uniform Planned Community Act (covers planned communities), and the Real Estate Cooperative Act (covers cooperative associations). In the 2017-2018 legislative session, CAI is working on the following pieces of legislation before the House and Senate under the following topics:

Omnibus Amendments to the Uniform Condominium Act, Uniform Planned Community Act and Real Estate Cooperative Act

- ***Co-sponsor Memo pending by Rep. Mark Keller (R): CAI supports this Bill. Introduction pending.*** These amendments to the statutes governing common interest ownership communities in the Commonwealth are all intended to clarify existing provisions of the Acts and enhance the overall administration and governance of our community associations. As currently proposed, these amendments relate to five (5) specific sections within each of the Acts and three (3) pertain just to the UPCA. Specifically, they address the powers of the association; the conveyance and encumbrance of common elements; the release of liens from real estate to be conveyed to the association; the declarant's warranty against structural defects; the definition of, and disclosure requirements for,

common facilities; and the contents of a recorded declaration. The proposed amendments are designed to be entirely consistent with the statutory scheme already put in place by our Legislature and the consumer protection policies and purposes embodied in the Acts.

Planned Unit Development Data Transparency

- ***Co-sponsor Memo issued by Senator Mario Scavello (R): CAI supports this Bill. Introduction pending.***
This legislation would amend the Municipalities Planning Code to require County Planning Commissions to include CIOC data in their currently required annual report. Counties would be required to collect, maintain, and make available upon request, information identifying condominium associations, cooperative housing developments, and planned communities located within the boundaries of the County. While it is estimated that 2.8 million PA residents live in a common interest ownership community (CIOC) and that roughly 80 percent of new housing starts since 2000 are CIOCs, the actual number and location of these communities is, by and large, unknown. Senate Bill 855 would mandate the collection of data, including information such as name, physical location, land area, lot size, number of units and location and would aid the State in assessing the impact of legislation specific to CIOCs. To mitigate the impact on County governments, amendments to the original bill would permit the County to make the data available to the public at a cost not to exceed that allowed under the state Right to Know Law and would also permit the posting of the data in electronic form. CAI supports the adoption of this bill, as presently drafted, and the legislation was endorsed by the Pennsylvania Bar Association in the last session.

Private Dam Financial Assurance Program

- ***House Bill 431; Rep. Rosemary Brown (R): CAI supports this Bill. Introduced and referred to the House Energy & Environmental Resources Committee on February 10, 2017,*** this legislation establishes the Pennsylvania Private Dam Financial Assurance Program and the Private Dam Financial Assurance Fund. Early in 2014, the Pennsylvania Department of Environmental Protection (DEP) issued new regulations requiring private dam owners to provide a mechanism for financial responsibility over their dams, in the event of a dam breach. The deadline for the financial responsibility tool was January 1, 2016. This new requirement was in addition to new registration and dam project fees in the thousands of dollars. For the many community associations throughout Pennsylvania that own a private dam, this meant that by January 1, 2016, the community needed to have surety or collateral bonds in place. However, it has been found that adequate insurance products are simply not available, requiring community associations in some cases to put up tens of thousands of dollars in bonds. These sums are simply beyond the financial ability of many community associations who depend on their lakes for recreational amenities for owners and visitors alike. House Bill 431 would offer financial assurance for the owners of private dams to meet the financial obligations imposed under the Dam Safety and Encroachment Act.

Homeowners Associations and Attorney General's Bureau of Consumer Protection

- ***House Bill 595; Rep. Rosemary Brown (R): CAI Supports this Bill. Introduced and Referred to House Urban Affairs Committee on February 23, 2017,*** this legislation assigns the investigation and mediation of certain complaints regarding planned communities, cooperatives, and condominiums under Title 68 (Real Property), to the Office of Attorney General's Bureau of Consumer Protection. Introduced initially in 2016, CAI agreed to support the Bill after amendments were agreed to that limit the scope of the legislation to certain violations. **Passed the House on April 19, 2017 by a vote of 186 to 0.**

Tax Credit

- ***House Bill 805; Rep. Thomas Murt (R): CAI Supports this Bill. Introduced and Referred to House Finance Committee on March 10, 2017,*** House Bill 805 would allow a unit owner in a common interest ownership community (also known as a community association) to deduct 75% of his or her association assessments (also known as dues) from his or her personal income tax. The purpose of this legislation is to address the problem of residents of associations paying taxes for municipal services that are often not provided to them.

For more information on CAI's positions on the aforementioned bills, please refer to the contact information below.

Contacts:

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