



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 ("CIOC"), 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) (collectively, the "Acts"). 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

Introduction pending: CAI supports this Bill. 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 described below, these amendments relate to four (4) specific sections of the Uniform Condominium Act (“UCA”), Uniform Planned Community Act (“UPCA”) and Real Estate Cooperative Act (“RECA”):

- Sections 3205(15) of the UCA; 4205(a)(15) of the RECA; and 5205(18) of the UPCA. This amendment incorporates into the required provisions of the declaration a provision, which is already included in the public offering statement, to include a description of all fees or charges which Unit Owners will be required to pay for use of Common Elements, Limited Common Elements or any other facilities.
- Sections 3219(f) of the UCA, 4219(f) of the RECA, and 5219(f) of the UPCA. This amendment clarifies the previously vague interpretation of “independent” with respect to legal counsel required to provide an opinion to effect corrective amendments to the declaration.
- Sections 3402(17) of the UCA, 4403(16) of the RECA, and 5402(18) of the UPCA. This amendment provides a procedure for facilitating corrective amendments to bylaws and codes of regulations similar to the procedure for effecting corrective amendments to declarations already included in the Acts.
- Sections 3306(c) of the UCA, 4306(c) of the RECA, and 5306(c) of the UPCA. This amendment clarifies the requirements for inclusion in a public offering statement of descriptions of all fees or charges which Unit Owners will be required to pay for use of Common Elements, Limited Common Elements or any other facilities.

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.

Data Collection and Transparency

- ***Introduction in Senate pending; Senator Mario Scavella (R): CAI supports this Bill.*** This legislation would amend the three Acts governing community associations and require County planning commissions to include in their annual reports certain data for each common interest ownership community located within the County. In addition, declarants would be required to provide such data to the County's planning agency upon the recording of a declaration for a community association. While it is estimated that 2.8 million Pennsylvania residents live in a CIOC and that roughly 80 percent of new housing starts since 2000 are CIOCs, the actual number, location and conditions of these communities are, by and large, unknown. This bill would mandate the collection of critical data, including information such as the name, physical location, land area and number of units, and to the extent reasonably available, the infrastructure within the community such as sanitary and stormwater systems, recreational facilities and roadways. Such data and information would greatly aid our Commonwealth in evaluating the status of our CIOCs and the impact of legislation relating specifically to such communities. CAI supports the adoption of this bill, as presently drafted, and a previous version of this legislation was endorsed by the Pennsylvania Bar Association in the last session.

Tax Credit / Equity for Homeowners

- ***Introduction in Senate pending; Senator Mario Scavello (R): CAI Supports this Bill.*** This legislation would allow a unit owner in a common interest ownership community to deduct 75% of the assessments paid to the association from his or her personal income tax. The purpose of this legislation is to address the fundamental unfairness and inequity resulting from homeowners in CIOCs being required to pay both assessments to their associations *and* taxes for municipal services which are often not provided to them.

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

Community Associations Institute & Pennsylvania Legislative Action Committee

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