

2023-2024 Pennsylvania End of Legislative Session Report

Community Associations Institute (CAI) Pennsylvania Legislative Action Committee (PA LAC) spent this two-year session advocating on behalf of the <u>approximately 1,348,000</u> Pennsylvanians living in 549,900 homes in more than 7,050 community associations across the Commonwealth of Pennsylvania. Pennsylvania's legislative session spanned from January 3, 2023 to November 30, 2024.

CAI PA LAC Annual Advocacy Summit Recaps

CAI's PA LAC conducted two annual Advocacy Summits in Harrisburg this session.

2023: On May 2, 2023, over 20 attendees met with more than two dozen key legislators to discuss a plethora of salient issues including the regulation of voting in common interest communities, data collection and transparency for better understanding of the community association housing model, and tax credit equity for community association residents. Advocates also sent nearly 90 messages to elected officials in conjunction with this event to help promote CAI's advocacy priorities.

2024: Then, on April 30, 2024, almost 20 attendees met with over 30 legislators to discuss these policy priorities and advocate on behalf of community associations and the Pennsylvanians living in them.

CAI PA LAC Legislative Advocacy Overview

The PA LAC actively advocated on more than a dozen critical bills during this two-year session in addition to making corrections and amendments to other issues from past legislative sessions. Below is a brief overview:

HB 1716 - REGISTRATION OF ASSOCIATIONS AS UNINCORPORATED ENTITIES

The LAC supported this legislation, which addressed a challenge posed by legislation from the previous year that eliminated the option for associations to register as unincorporated, affecting numerous Pennsylvania community associations that traditionally chose this



registration method. The passage of this bill restored the ability for associations to register as unincorporated entities.

Status: ENACTED effective July 15, 2024 - Now Act No. 59

HB 2240 – DATA TRANSPARENCY – CONDOS

The LAC supported this legislation, which would have amended the Municipalities Planning Code to require County Planning Commissions to include CIOC data in their currently required annual report. Under this legislation. counties would be required to collect, maintain, and make available upon request information identifying condominium associations, cooperative housing developments, and planned communities located within its boundaries. While it is estimated that 1.3 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. This bill sought to 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.

The legislation was first introduced ten years ago and until recently had never had a hearing or a vote in either chamber of the legislature, primarily due to opposition from county governments. To mitigate the minimal impact on county governments, CAI has, over the years, offered amendments to the original bill. This year, the bill finally had a chance to be heard and was voted out of the House Local Government Committee.

Status: Reported from Committee. Laid on the table in full House.

HB 1736 – VOTING IN ASSOCIATION REFERENDUMS

CAI's PA LAC monitored this legislation, which would have changed the way voting is calculated in association referendums. The existing law states that amendments to a declaration must be approved by sixty-seven percent of votes allocated in an association.



The language of this legislation would have changed that to sixty-seven percent of votes collected in a referendum, vastly lowering the threshold required to amend a declaration.

Status: DIED

HB 2149 – ENSURING HOA TRANSPARENCY

The LAC opposed this legislation due to the unnecessary and onerous burdens it would place on association boards and homeowners. This legislation pertained to transparency around the election and operation of a community association's executive board.

Status: DIED

HB 1179 – RIGHT TO DRY LAUNDRY VIA SOLAR ACCESS

This legislation would have ensured residents who live in a community association have the right to solar access for drying laundry and would allow the association to regulate aspects of the location of clothes drying racks.

In alignment with CAI's public policy, the LAC successfully supported an amendment, accepted by the bill's sponsor, that would allow each association board to adopt reasonable rules to address safety concerns relevant to the unique features (density, design and construction) of the association. The amendment also added protective language to prevent a constitutional challenge to the legislation as it relates to retroactivity.

Status: Reported from Committee. Laid on the table in full House.

HB 1759 – SOLAR PANEL REGULATION

The LAC supported this bill as successfully amended. This legislation impacting the regulation of solar panels sought to amend existing law governing community associations in Pennsylvania. It sought to prevent homeowners associations (HOAs) from prohibiting or restricting the installation or use of a solar energy system on a detached roof or townhouse. CAI submitted, and the sponsor accepted, amendments that provide a comprehensive approach to the issue of solar panels in community associations.



In 2009, legislation was introduced that would have prohibited community associations in Pennsylvania from banning the installation of solar panels. At that time, the PA LAC reached out to the bill's prime sponsor, who accepted their proposed amendments, but the bill died at the end of the session that year. Similar legislation has been introduced in multiple legislative sessions since 2010 but, until now, had never advanced through the legislature.

Status: Reported from Committee. Laid on the table in full House.

HB 1289 – REMOVAL OF DISCRIMINATORY COVENANTS

The LAC supported this legislation, which aligned with CAI's Public Policy regarding the simplified removal of discriminatory covenants. Pennsylvania now joins 22 other states that have passed legislation that provides for a process to allow for the removal of restrictions deemed to be discriminatory under the federal Fair Housing Act and/or state anti-discrimination laws. This legislation also established the Unlawful Restrictive Covenant Discharge Reimbursement Fund.

Status: ENACTED effective December 14, 2023 - Now Act No. 54

HB 1249 – HOMEOWNER RIGHTS AND TRANSPARENCY

The LAC opposed this legislation, which supposedly sought to protect the rights of homeowners and increase transparency. CAI was concerned with various provisions of this legislation including the mandate that would permit unit owners to record meetings, requirements to disclose legal opinions that would violate the attorney-client privilege, and requirements to make collections and enforcement records available which may run afoul of the Fair Debt Collection Practices Act.

Status: Referred to Senate Committee. DIED in Committee.

HB 643 – WATER METERING FOR DWELLING UNITS

The LAC opposed this legislation, which would have required that each dwelling unit at condominiums in a multicomponent residential building or housing development include



an individual meter for the provision of water distribution service to the residential owners or lessees. Under this legislation, municipal corporations would not be permitted to issue a permit for occupancy unless this requirement is met.

Status: DIED

SB 1125/HB 2361 – ELECTRIC VEHICLE CHARGING STATIONS

The LAC supported this bill with incorporated amendments made at its recommendation. This legislation aimed to provide a framework for common interest ownership communities to permit installation and regulation of residential electric vehicle charging stations.

Status: DIED

HB 62 – REAL ESTATE DISCLOSURES: PUBLIC OFFERING STATEMENTS – SIGNED AFFIDAVIT

The LAC opposed this legislation, which was intended to strengthen the real estate disclosure process for a purchaser in a common interest owned community in the Commonwealth. The penalties on the association – both in prohibiting any fee for preparation and provision of an accurate resale certificate and associated documents, and in prohibiting "any fee" if the association fails to timely provide a "current" certificate – interfere with the business of association management and puts an unreasonable burden on owner-managed associations. This bill incorrectly restates or summarizes details already in the statute, like the requirement that the governing board must be made up of unit owners, when the law does not otherwise require 100% of the board to be composed of unit owners, and when declarant appointees do not need to be unit owners. It also requires that a signed receipt be collected from the buyer but does not define who must collect and retain the document, what happens if the signed receipt is not collected, or a penalty for failure to do so.

This legislation does little to help associations or to protect consumers, places unreasonable burdens and costs on associations and managers, and overrides or conflicts with other statutes.

Status: DIED



House Bill 1924 from the 2021-2022 Session – TAX CREDIT/EQUITY FOR HOMEOWNERS

While this bill was not formally introduced this legislative session, the PA LAC continues to educate the legislature on the importance of introducing this bill to ensure tax equity for all homeowners. The legislation would address a disparity in the level of taxation of certain Pennsylvanians who live in common interest ownership communities. In a number of these communities, homeowners are required to pay annual assessments for the upkeep and maintenance of commonly owned facilities and services infrastructure such as streets, water and sewer facilities, trash removal and the like. At the same time these homeowners are paying municipal taxes for similar facilities and services that other homeowners living in the same municipality but not in a planned community receive from the municipal government. 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.

Pennsylvania Statutory Resource Corner

Generally, there are three laws in Pennsylvania that regulate the activities of common interest ownership communities: the <u>Uniform Condominium Act</u> (covers condo associations), the <u>Uniform Planned Community Act</u> (covers planned communities or homeowners associations), and the <u>Real Estate Cooperative Act</u> (cooperative associations) (collectively, the "Acts").

CAI PAC Pennsylvania

CAI Pennsylvania has a dedicated CAI political action committee. The PAC allows us to support candidates for office that advocate for well-reasoned legislation and oppose legislation that creates unnecessary burdens on the governance and operation of community associations. Consider <u>donating to the CAI PAC Pennsylvania</u> to help advance CAI's public policy positions in Pennsylvania. <u>Donate to your state's PAC today!</u>



GET INVOLVED IN CAI PENNSYLVANIA ADVOCACY EFFORTS!

Track PA Legislation CAI keeps track of legislation throughout the year, so you can stay informed. You can check the legislation that CAI is monitoring around the

clock here.

Support and Donate Today CAI depends on professional lobbyists funded by community associations, businesses, and individuals to create the best public policy for the community association industry in Pennsylvania. To support their efforts, visit caionline.org/lacdonate and select "Pennsylvania."

Help Shape Future Legislation Join our CAI Advocacy Ambassador program and become a part of the movement to create positive change. Your voice matters, so sign up now to make your mark!

CAI PA LAC and Chapter Contact Information:

<u>CAI Pennsylvania Legislative Action Committee</u> - (888) 224-4321 <u>Community Associations Institute – Keystone Chapter</u> - (610) 783-1315