21

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1122 Session of 2013

INTRODUCED BY GINGRICH, KAUFFMAN, ELLIS, GABLER, SWANGER, MACKENZIE, REGAN, BARRAR, TOOHIL, EVERETT, C. HARRIS, COHEN, LONGIETTI AND R. BROWN, APRIL 8, 2013

SENATOR ARGALL, URBAN AFFAIRS AND HOUSING, IN SENATE, AS AMENDED, JUNE 19, 2013

AN ACT

Amending Title 68 (Real and Personal Property) of the Pennsylvania Consolidated Statutes, in creation, alteration and termination of condominiums, further providing for CONTENTS OF DECLARATION FOR ALL CONDOMINIUMS, FOR contents of <-- declaration and FOR flexible condominiums and for amendment <-of declaration; IN PROTECTION OF PURCHASERS, FURTHER <--PROVIDING FOR DECLARANT'S OBLIGATION TO COMPLETE AND RESTORE; and, in creation, alteration and termination of planned 8 communities, further providing for CONTENTS OF DECLARATION 9 <--FOR ALL PLANNED COMMUNITIES, FOR contents of declaration for 10 flexible planned communities and for amendment of 11 declaration. 12 13 The General Assembly of the Commonwealth of Pennsylvania 14 hereby enacts as follows: 15 Section 1. Sections 3206(2), 3219(a), 5206(2) and 5219(a)(3) <--of Title 68 of the Pennsylvania Consolidated Statutes are 17 amended to read: 18 SECTION 1. SECTIONS 3205(12) AND (13), 3206(2), 3219(A), 3414(C), 5205(13) AND (14), 5206(2) AND 5219(A)(3) OF TITLE 68 OF THE PENNSYLVANIA CONSOLIDATED STATUTES ARE AMENDED TO READ: 20

§ 3205. CONTENTS OF DECLARATION; ALL CONDOMINIUMS.

1	THE DECLARATION FOR A CONDOMINIUM MUST CONTAIN:
2	* * *
3	(12) IF THE DECLARANT WISHES TO RETAIN THE SPECIAL
4	DECLARANT RIGHT TO CAUSE SECTION 3222 (RELATING TO MASTER
5	ASSOCIATIONS) TO BECOME APPLICABLE TO A CONDOMINIUM, THEN:
6	(I) AN EXPLICIT RESERVATION OF SUCH RIGHT;
7	(II) A STATEMENT OF THE TIME LIMIT, NOT EXCEEDING
8	SEVEN YEARS AFTER THE RECORDATION OF THE DECLARATION,
9	UPON WHICH THE OPTION RESERVED UNDER SUBPARAGRAPH (I)
10	WILL LAPSE, TOGETHER WITH A STATEMENT OF ANY
11	CIRCUMSTANCES THAT WILL TERMINATE THE OPTION BEFORE THE
12	EXPIRATION OF THE TIME LIMIT[; AND], THE TIME LIMIT SHALL
13	NOT EXCEED THE LATER OF:
14	(A) TEN YEARS AFTER THE RECORDING OF THE
15	DECLARATION; OR
16	(B) IN THE CASE OF A PRELIMINARY PLAT CALLING
17	FOR THE INSTALLATION OF IMPROVEMENTS IN SECTIONS, 120
18	DAYS AFTER MUNICIPAL APPROVAL OR DENIAL OF EACH
19	PARTICULAR SECTION'S FINAL PLAT WHICH WAS FILED PRIOR
20	TO THE DEADLINE APPROVED OR MODIFIED BY THE MUNICIPAL
21	GOVERNING BODY PURSUANT TO SECTION 508(4)(V) OF THE
22	ACT OF JULY 31, 1968 (P.L.805, NO.247), KNOWN AS THE
23	PENNSYLVANIA MUNICIPALITIES PLANNING CODE, OR, IN THE
24	EVENT OF AN APPEAL FROM THE MUNICIPAL APPROVAL OR
25	DENIAL OF SUCH FINAL PLAT, 120 DAYS AFTER A FINAL
26	JUDGMENT ON APPEAL; AND
27	(III) THE INFORMATION REQUIRED TO BE INCLUDED IN THE
28	DECLARATION BY THE PROVISIONS OF SECTION 3222.
29	(13) IF THE DECLARANT WISHES TO RETAIN THE SPECIAL
30	DECLARANT RIGHT TO MERGE OR CONSOLIDATE THE CONDOMINIUM

1	PURSUANT TO SECTION 3223 (RELATING TO MERGER OR CONSOLIDATION
2	OF CONDOMINIUMS), THEN:
3	(I) AN EXPLICIT RESERVATION OF SUCH RIGHT;
4	(II) A STATEMENT OF THE TIME LIMIT, [NOT EXCEEDING
5	SEVEN YEARS AFTER THE RECORDING OF THE DECLARATION,] UPON
6	WHICH ANY OPTION RESERVED UNDER SUBPARAGRAPH (I) WILL
7	LAPSE, TOGETHER WITH A STATEMENT OF ANY CIRCUMSTANCES
8	THAT WILL TERMINATE THE OPTION BEFORE THE EXPIRATION OF
9	THE TIME LIMIT[;], THE TIME LIMIT SHALL NOT EXCEED THE
10	LATER OF:
11	(A) TEN YEARS AFTER THE RECORDING OF THE
12	DECLARATION; OR
13	(B) THE CASE OF A PRELIMINARY PLAT CALLING FOR
14	THE INSTALLATION OF IMPROVEMENTS IN SECTIONS, 120
15	DAYS AFTER MUNICIPAL APPROVAL OR DENIAL OF EACH
16	PARTICULAR SECTION'S FINAL PLAT WHICH WAS FILED PRIOR
17	TO THE DEADLINE APPROVED OR MODIFIED BY THE MUNICIPAL
18	GOVERNING BODY PURSUANT TO SECTION 508(4)(V) OF THE
19	PENNSYLVANIA MUNICIPALITIES PLANNING CODE, OR, IN THE
20	EVENT OF AN APPEAL FROM THE MUNICIPAL APPROVAL OR
21	DENIAL OF SUCH FINAL PLAT, 120 DAYS AFTER A FINAL
22	JUDGMENT ON APPEAL;
23	* * *
24	§ 3206. Contents of declaration; flexible condominiums.
25	The declaration for a flexible condominium shall include, in
26	addition to the matters specified in section 3205 (relating to
27	contents of declaration; all condominiums):
28	* * *
29	(2) A statement of the time limit, [not exceeding seven
30	years after the recording of the declaration,] upon which any

option reserved under paragraph (1) will lapse together with

2 a statement of any circumstances that will terminate the

3 option before the expiration of the time limit. The time

4 <u>limit shall not exceed the later of:</u>

5 <u>(i) ten years after the recording of the</u>
6 <u>declaration; or</u>

7 (ii) in the case of a preliminary plat calling for 8 the installation of improvements in sections, 120 days after municipal approval or denial of each particular 9 10 section's final plat which was filed prior to the 11 deadline approved or modified by the municipal governing 12 body pursuant to section 508(4)(v) of the act of July 31, 13 1968 (P.L.805, No.247), known as the Pennsylvania 14 Municipalities Planning Code, or in the event of an appeal from the municipal approval or denial of such 15 final plat, 120 days after a final judgment on appeal. 16 17

- 18 § 3219. Amendment of declaration.
- 19 (a) Number of votes required.--[Except in cases of
- 20 amendments that may be executed by a declarant under section
- 21 3210(e) and (f) (relating to plats and plans), 3211(a) (relating
- 22 to conversion and expansion of flexible condominiums) or 3212(a)
- 23 (relating to withdrawal of withdrawable real estate); the
- 24 association under subsection (f) or section 3107 (relating to
- 25 eminent domain), 3207(d) (relating to leasehold condominiums),
- 26 3209(c) (relating to limited common elements) or 3215(a)
- 27 (relating to subdivision or conversion of units); or certain
- 28 unit owners under section 3209(b) (relating to limited common
- 29 elements), 3214(a) (relating to relocation of boundaries between
- 30 adjoining units), 3215(b) (relating to subdivision or conversion

1	of units) or 3220(b) (relating to termination of condominium),
2	and except as limited by subsection (d) and section 3221
3	(relating to rights of secured lenders), the]
4	(1) The declaration, including the plats and plans, may
5	be amended only by vote or agreement of unit owners of units
6	to which at least [67%]:
7	(i) Sixty-seven percent of the votes in the
8	association are allocated[, or];
9	(ii) any larger majority the declaration specifies[.
10	The declaration may specify]; or
11	(iii) a smaller number [only] as specified in the
12	declaration if all of the units are restricted
13	exclusively to nonresidential use.
14	(2) Paragraph (1) is limited to BY subsection (d) and <-
15	section 3221 (relating to rights of secured lenders).
16	(3) Paragraph (1) shall not apply to any of the
17	<pre>following:</pre>
18	(i) Amendments executed by a declarant under:
19	(A) section 3210(e) and (f) (relating to plats
20	and plans);
21	(B) section 3211(a) (relating to conversion and
22	expansion of flexible condominiums); or
23	(C) section 3212(a) (relating to withdrawal of
24	withdrawable real estate).
25	(ii) Amendments executed by the association under:
26	(A) subsection (f);
27	(B) section 3107 (relating to eminent domain);
28	(C) section 3207(d) (relating to leasehold
29	<pre>condominiums);</pre>
30	(D) section 3209(c) (relating to limited common

1	<u>elements); or</u>
2	(E) 3215(a) (relating to subdivision or
3	<pre>conversion of units).</pre>
4	(iii) Amendments executed by certain unit owners
5	under:
6	(A) section 3209(b);
7	(B) section 3214(a) (relating to relocation of
8	boundaries between adjoining units);
9	(C) section 3215(b) (relating to subdivision or
10	<pre>conversion of units); or</pre>
11	(D) section 3220(b) (relating to termination of
12	<pre>condominium).</pre>
13	(iv) Amendments executed by a declarant which
14	conform the maximum time limit for exercising declarant
15	options to the time limit authorized by section SECTIONS <
16	3205(12) AND (13) (RELATING TO CONTENTS OF DECLARATION;
17	ALL CONDOMINIUMS) AND 3206(2) (relating to contents of
18	declaration; flexible condominiums).
19	* * *
20	§ 3414. DECLARANT'S OBLIGATION TO COMPLETE AND RESTORE. <
21	* * *
22	(C) SUBSTANTIAL COMPLETION PREREQUISITE TO CONVEYANCE A
23	UNIT WHICH IS PART OF OR CONSTITUTES A STRUCTURE SHALL NOT BE
24	CONVEYED TO A PERSON OTHER THAN A SUCCESSOR TO ANY SPECIAL
25	DECLARANT RIGHTS UNLESS ALL STRUCTURAL COMPONENTS AND COMMON
26	ELEMENT MECHANICAL SYSTEMS OF THE STRUCTURE CONTAINING OR
27	CONSTITUTING SUCH UNIT OR UNITS ARE SUBSTANTIALLY COMPLETED TO
28	THE EXTENT REQUIRED OF DECLARANT SO AS TO PERMIT THE USE OF SUCH
29	UNIT OR UNITS AND ANY LIMITED COMMON ELEMENTS APPURTENANT
30	THERETO FOR THEIR INTENDED USE. SUCH SUBSTANTIAL COMPLETION

- 1 SHALL BE EVIDENCED BY A RECORDED CERTIFICATION OF COMPLETION
- 2 EXECUTED BY AN INDEPENDENT REGISTERED SURVEYOR, ARCHITECT OR
- 3 PROFESSIONAL ENGINEER WITH REGARD TO ANY SUCH STRUCTURE.
- 4 * * *
- 5 § 5205. CONTENTS OF DECLARATION; ALL PLANNED COMMUNITIES.
- 6 THE DECLARATION FOR A PLANNED COMMUNITY MUST CONTAIN:
- 7 * * *
- 8 (13) IF THE DECLARANT WISHES TO RETAIN THE SPECIAL
- 9 DECLARANT RIGHT TO CAUSE SECTION 5222 (RELATING TO MASTER
- 10 ASSOCIATIONS) TO BECOME APPLICABLE TO A PLANNED COMMUNITY,
- 11 THEN:
- 12 (I) AN EXPLICIT RESERVATION OF SUCH RIGHT;
- 13 (II) A STATEMENT OF THE TIME LIMIT, [NOT EXCEEDING
- 14 SEVEN YEARS AFTER THE RECORDING OF THE DECLARATION,] UPON
- 15 WHICH THE OPTION RESERVED UNDER SUBPARAGRAPH (I) WILL
- 16 LAPSE, TOGETHER WITH AND A STATEMENT OF ANY CIRCUMSTANCES
- 17 THAT WILL TERMINATE THE OPTION BEFORE THE EXPIRATION OF
- 18 THE TIME LIMIT[; AND], THE TIME LIMIT SHALL NOT EXCEED
- 19 THE LATER OF:
- 20 (A) TEN YEARS AFTER THE RECORDING OF THE
- 21 DECLARATION; OR
- 22 (B) IN THE CASE OF A PRELIMINARY PLAT CALLING
- FOR THE INSTALLATION OF IMPROVEMENTS IN SECTIONS, 120
- 24 DAYS AFTER MUNICIPAL APPROVAL OR DENIAL OF EACH
- 25 PARTICULAR SECTION'S FINAL PLAT WHICH WAS FILED PRIOR
- TO THE DEADLINE APPROVED OR MODIFIED BY THE MUNICIPAL
- 27 <u>GOVERNING BODY PURSUANT TO SECTION 508(4)(V) OF THE</u>
- 28 <u>ACT OF JULY 31, 1968 (P.L.805, NO.247), KNOWN AS THE</u>
- 29 PENNSYLVANIA MUNICIPALITIES PLANNING CODE, OR, IN THE
- 30 EVENT OF AN APPEAL FROM THE MUNICIPAL APPROVAL OR

1	DENIAL OF SUCH FINAL PLAT, 120 DAYS AFTER A FINAL
2	JUDGMENT ON APPEAL; AND
3	(III) THE INFORMATION REQUIRED TO BE INCLUDED IN THE
4	DECLARATION BY THE PROVISIONS OF SECTION 5222.
5	(14) IF THE DECLARANT WISHES TO RETAIN THE SPECIAL
6	DECLARANT RIGHT TO MERGE OR CONSOLIDATE THE PLANNED COMMUNITY
7	PURSUANT TO SECTION 5223 (RELATING TO MERGER OR CONSOLIDATION
8	OF PLANNED COMMUNITY), THEN ALL OF THE FOLLOWING:
9	(I) AN EXPLICIT RESERVATION OF SUCH RIGHT.
10	(II) A STATEMENT OF THE TIME LIMIT, [NOT EXCEEDING
11	SEVEN YEARS AFTER THE RECORDING OF THE DECLARATION,] UPON
12	WHICH ANY OPTION RESERVED UNDER SUBPARAGRAPH (I) WILL
13	LAPSE, TOGETHER WITH A STATEMENT OF ANY CIRCUMSTANCES
14	THAT WILL TERMINATE THE OPTION BEFORE THE EXPIRATION OF
15	THE TIME LIMIT[.], THE TIME LIMIT SHALL NOT EXCEED THE
16	LATER OF:
17	(A) TEN YEARS AFTER THE RECORDING OF THE
18	DECLARATION; OR
19	(B) IN THE CASE OF A PRELIMINARY PLAT CALLING
20	FOR THE INSTALLATION OF IMPROVEMENTS IN SECTIONS, 120
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25	GOVERNING BODY PURSUANT TO SECTION 508(4)(V) OF THE PENNSYLVANIA MUNICIPALITIES PLANNING CODE, OR, IN THE
25 26	GOVERNING BODY PURSUANT TO SECTION 508(4)(V) OF THE PENNSYLVANIA MUNICIPALITIES PLANNING CODE, OR, IN THE EVENT OF AN APPEAL FROM THE MUNICIPAL APPROVAL OR
252627	GOVERNING BODY PURSUANT TO SECTION 508(4)(V) OF THE PENNSYLVANIA MUNICIPALITIES PLANNING CODE, OR, IN THE EVENT OF AN APPEAL FROM THE MUNICIPAL APPROVAL OR DENIAL OF SUCH FINAL PLAT, 120 DAYS AFTER A FINAL

- 1 communities.
- 2 The declaration for a flexible planned community shall
- 3 include, in addition to the matters specified in section 5205
- 4 (relating to contents of declaration; all planned communities),
- 5 all of the following:
- 6 * * *
- 7 (2) A statement of the time limit, [not exceeding seven
- 8 years after the recording of the declaration,] upon which any
- 9 option reserved under paragraph (1) will lapse, together with
- 10 a statement of circumstances that will terminate the option
- 11 before the expiration of the time limit. The time limit shall
- 12 not exceed the later of:
- (i) ten years after the recording of the
- 14 <u>declaration; or</u>
- 15 <u>(ii) in the case of a preliminary plat calling for</u>
- the installation of improvements in sections, 120 days
- 17 after municipal approval or denial of each particular
- 18 section's final plat which was filed prior to the
- deadline approved or modified by the municipal governing
- body pursuant to section 508(4)(v) of the act of July 31,
- 21 1968 (P.L.805, No.247), known as the Pennsylvania
- 22 <u>Municipalities Planning Code, or in the event of an</u>
- appeal from the municipal approval or denial of such
- final plat, 120 days after a final judgment on appeal.
- 25 * * *
- 26 § 5219. Amendment of declaration.
- 27 (a) Number of votes required.--
- 28 * * *
- 29 (3) Paragraph (1) shall not apply to any of the
- 30 following:

1	(i) Amendments executed by a declarant under:
2	(A) section 5210(e) or (f) (relating to plats
3	and plans);
4	(B) section 5211(a) (relating to conversion and
5	expansion of flexible planned communities); or
6	(C) section 5212(a) (relating to withdrawal of
7	withdrawable real estate).
8	(ii) Amendments executed by the association under:
9	(A) subsection (f);
10	(B) section 5107 (relating to eminent domain);
11	(C) section 5207(d) (relating to leasehold
12	planned communities);
13	(D) section 5209 (relating to limited common
14	elements); or
15	(E) section 5215 (relating to subdivision or
16	conversion of units).
17	(iii) Amendments executed by certain unit owners
18	under:
19	(A) section 5209(b);
20	(B) section 5214(a) (relating to relocation of
21	boundaries between units);
22	(C) section 5215; or
23	(D) section 5220(b) (relating to termination of
24	planned community).
25	(iv) Amendments executed by a declarant which
26	conform the maximum time limit for exercising declarant
27	options to the time limit authorized by section SECTIONS <
28	5205(13) AND (14) (RELATING TO CONTENTS OF DECLARATION;
29	ALL PLANNED COMMUNITIES) AND 5206(2) (relating to
30	contents of declaration for flexible planned

- 1 <u>communities</u>).
- 2 Section 2. This act shall apply as follows:
- 3 (1) The amendment of 68 PA.C.S. §§ 3205(12) AND (13), <--
- 4 3206(2), 5205(13) AND (14) and 5206(2) shall apply to all \leftarrow --
- 5 condominiums and planned communities, respectively, created
- 6 by declarations recorded less than seven years prior to the
- 7 effective date of this act.
- 8 (2) The amendment of the following provisions shall not
- 9 affect any other provision of Title 68:
- 10 (i) 68 Pa.C.S. § 3206(2).
- 11 (ii) 68 Pa.C.S. § 3219(a).
- 12 (iii) 68 Pa.C.S. § 5206(2).
- 13 (iv) 68 Pa.C.S. § 5219(a)(3).
- 14 (I) 68 PA.C.S. § 3205(12) AND (13). <--

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- 15 (II) 68 PA.C.S. § 3206(2).
- 16 (III) 68 PA.C.S. § 3219(A).
- 17 (IV) 68 PA.C.S. § 5205(13) AND (14).
- 18 (V) 68 PA.C.S. § 5206(2).
- 19 (VI) 68 PA.C.S. § 5219(A)(3).
- 20 Section 3. This act shall take effect immediately.