

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 859

PRINTER'S NO. 1057

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

May 8, 2013

PRIME SPONSOR

Senator Argall

HISTORY OF BILL

Referred to URBAN AFFAIRS AND HOUSING, April 18, 2013
Reported as committed, May 1, 2013
First consideration, May 1, 2013
Second consideration, May 6, 2013
Re-referred to APPROPRIATIONS, May 8, 2013
Re-reported as amended, May 13, 2013

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 859 amends Chapter 32 of Title 68 (Real and Personal Property), known as the Uniform Condominium Act, and Chapter 51 of Title 68, known as the Uniform Planned Community Act, with regard to the time limitations imposed on the withdrawal or conversion of real estate from a condominium or planned community.

Title 68 requires that a declaration be made, which enumerates specific requirements for all condominiums and planned communities. With regard to flexible condominiums and planned communities, a declaration shall also include an explicit reservation of any options to create units, limited common elements, or both, within convertible real estate or to add additional real estate or to withdraw real estate from the condominium or planned community. Under existing law, the time limit for the options reserved in the declaration shall expire no longer than seven years after the recording of the declaration.

The legislation extends the time limit from seven years to the later of the following:

1. Ten years after the recording of the declaration; or
2. In the case of a preliminary plat calling for the installation of improvements in sections, 120 days after municipal approval or denial of each particular section's final plat which was filed prior to the deadline approved or modified by the municipal governing body pursuant to the Pennsylvania Municipalities Planning Code, or in the event of an appeal from the approval or denial of such final plat, 120 days after a final judgment on appeal.

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Senate Bill 859 clarifies that any amendment of declaration which requires 67% of votes does not apply to amendments executed by a declarant which conform the maximum time limit for exercising declarant options to the time limit as amended by this legislation.

FISCAL IMPACT:

The enactment of Senate Bill 859 will have no adverse impact on Commonwealth or local funds.

Extending the time limit to complete development projects may result in fewer incomplete projects and a cost savings for local municipalities. Incomplete development projects can result in municipalities taking on costs for items such as road maintenance in communities that are not fully developed. Incomplete developments may not have enough homeowners and corresponding association fees to cover the costs of snow plowing, maintenance, etc., which then can fall back onto municipalities.