
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2568 Session of
2020

INTRODUCED BY GAYDOS, MOUL, BROWN, HELM, NELSON, JOZWIAK, JONES,
HENNESSEY AND STAATS, JUNE 8, 2020

REFERRED TO COMMITTEE ON URBAN AFFAIRS, JUNE 8, 2020

AN ACT

1 Amending Title 68 (Real and Personal Property) of the
2 Pennsylvania Consolidated Statutes, in protection of
3 purchasers relating to condominiums, further providing for
4 public offering statement and general provisions and for
5 resales of units; in protection of cooperative interest
6 purchasers relating to cooperatives, further providing for
7 public offering statement and general provisions and for
8 resales of cooperative interests; and, in protection of
9 purchasers relating to planned communities, further providing
10 for public offering statement and general provisions and for
11 resales of units.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. Section 3402(a) of Title 68 of the Pennsylvania
15 Consolidated Statutes is amended by adding paragraphs to read:
16 § 3402. Public offering statement; general provisions.

17 (a) General rule.--Except as provided in subsection (b), a
18 public offering statement must contain or fully and accurately
19 disclose:

20 * * *

21 (27) A copy of the provisions of this subpart.

22 (28) A signed statement by the association indicating

1 whether this subpart applies based on the effective date of
2 this subpart, the date on which the condominium was
3 established and any action taken to become subject to this
4 subpart.

5 * * *

6 Section 2. Section 3407(a) of Title 68 is amended to read:
7 § 3407. Resales of units.

8 (a) Information supplied by unit owner.--In the event of a
9 resale of a unit by a unit owner other than a declarant, the
10 unit owner shall furnish to a purchaser before execution of any
11 contract for sale of a unit, or otherwise before conveyance, a
12 copy of the declaration (other than the plats and plans), the
13 bylaws, the rules or regulations of the association, the
14 provisions of this subpart and a certificate containing:

15 (1) A statement disclosing the effect on the proposed
16 disposition of any right of first refusal or other restraint
17 on the free alienability of the unit.

18 (2) A statement setting forth the amount of the monthly
19 common expense assessment and any unpaid common expense or
20 special assessment currently due and payable from the selling
21 unit owner and any surplus fund credits to be applied with
22 regard to the unit pursuant to section 3313 (relating to
23 surplus funds).

24 (3) A statement of any other fees payable by unit
25 owners.

26 (4) A statement of any capital expenditures proposed by
27 the association for the current and two next succeeding
28 fiscal years.

29 (5) A statement of the amount of any reserves for
30 capital expenditures and of any portions of those reserves

1 designated by the association for any specified project.

2 (6) The most recent regularly prepared balance sheet and
3 income and expense statement, if any, of the association.

4 (7) The current operating budget of the association.

5 (8) A statement of any judgments against the association
6 and the status of any pending suits to which the association
7 is a party.

8 (9) A statement describing any insurance coverage
9 provided for the benefit of unit owners.

10 (10) A statement as to whether the executive board has
11 knowledge that any alterations or improvements to the unit or
12 to the limited common elements assigned thereto violate any
13 provision of the declaration.

14 (11) A statement as to whether the executive board has
15 knowledge of any violations of applicable governmental
16 requirements or knowledge of the existence of any hazardous
17 conditions pursuant to section 3402(a)(26) (relating to
18 public offering statement; general provisions) or with
19 respect to the unit, the limited common elements assigned
20 thereto or any other portion of the condominium.

21 (12) A statement of the remaining term of any leasehold
22 estate affecting the condominium and the provisions governing
23 any extension or renewal thereof.

24 (13) A statement as to whether the declaration provides
25 for cumulative voting or class voting.

26 (14) A statement as to whether an agreement to terminate
27 the condominium has been submitted to the unit owners for
28 approval and remains outstanding.

29 (15) A statement of whether the condominium is a master
30 association or is part of a master association or could

1 become a master association or part of a master association.

2 (16) A statement describing which units, if any, may be
3 owned in time-share estates and the maximum number of time-
4 share estates that may be created in the condominium.

5 (17) A statement of whether the declarant retains the
6 special declarant right to cause a merger or consolidation of
7 the condominium and, if so, the information describing such
8 right which was supplied by the declarant pursuant to section
9 3205(13) (relating to contents of declaration; all
10 condominiums), if any.

11 (18) A signed statement by the association indicating
12 whether this subpart applies based on the effective date of
13 this subpart, the date on which the association was
14 established and any action taken to become subject to this
15 subpart.

16 * * *

17 Section 3. Section 4403(a) of the Title 68 is amended by
18 adding paragraphs to read:

19 § 4403. Public offering statement; general provisions.

20 (a) General rule.--Except as provided in subsection (b), a
21 public offering statement must contain or fully and accurately
22 disclose:

23 * * *

24 (28) A copy of the provisions of this subpart.

25 (29) A signed statement by the association indicating
26 whether this subpart applies based on the effective date of
27 this subpart, the date on which the cooperative was
28 established and any action taken to become subject to this
29 subpart.

30 * * *

1 Section 4. Section 4409(a) of Title 68 is amended to read:

2 § 4409. Resales of cooperative interests.

3 (a) Information supplied by proprietary lessee.--Except in
4 the case of a sale where delivery of a public offering statement
5 is required or unless the transaction is exempt under section
6 4401(b) (relating to applicability; waiver), a proprietary
7 lessee shall furnish to a purchaser before execution of any
8 contract of sale of a cooperative interest or, if there is no
9 contract of sale, before the time of conveyance a copy of the
10 declaration (other than the plats and plans), the bylaws and the
11 rules or regulations of the association, including all
12 amendments to such documents to the date of their delivery to
13 the purchaser, the provisions of this subpart and a certificate
14 containing:

15 (1) A statement disclosing the effect on the proposed
16 disposition of any right of first refusal or other restraint
17 on the free alienability of the cooperative interest.

18 (2) A statement setting forth the amount of the monthly
19 common expense assessment and any unpaid common expense or
20 special assessment currently due and payable from the selling
21 proprietary lessee and any surplus fund credits to be applied
22 with regard to the cooperative interest pursuant to section
23 4314(h) (relating to assessments for common expenses).

24 (3) A statement of any other fees payable by proprietary
25 lessees.

26 (4) A statement of any capital expenditures anticipated
27 by the association for the current and two next succeeding
28 fiscal years.

29 (5) A statement of the amount of any reserves for
30 capital expenditures and of any portions of those reserves

1 designated by the association for any specified projects.

2 (6) The most recent regularly prepared balance sheet and
3 income and expense statement, if any, of the association.

4 (7) The current operating budget of the association.

5 (8) A statement of any unsatisfied judgments against the
6 association and the status of any pending suits in which the
7 association is a defendant.

8 (9) A statement describing any insurance coverage
9 provided for the benefit of proprietary lessees.

10 (10) A statement as to whether the executive board has
11 knowledge that any alterations or improvements to the unit or
12 to the limited common elements assigned thereto violate any
13 provision of the declaration.

14 (11) A statement as to whether the executive board has
15 knowledge of any violations of the health or building codes
16 with respect to the unit, the limited common elements
17 assigned thereto or any other portion of the cooperative.

18 (12) A statement of the remaining term of any leasehold
19 estate affecting the cooperative and the provisions governing
20 any extension or renewal thereof.

21 (13) Except where no public offering statement was
22 prepared, a statement that the public offering statement and
23 any amendments thereto are records of the association
24 available for inspection by the purchaser.

25 (14) The most recent statement given to the proprietary
26 lessee by the association stating the amount of the
27 cooperative real estate taxes and mortgage or other interest
28 allocated to the cooperative interest being sold.

29 (15) A statement of any restrictions in the declaration
30 affecting the amount that may be received by a proprietary

1 lessee upon sale, condemnation or casualty loss to the unit
2 or the cooperative or termination of the cooperative.

3 (16) A statement as to whether the declaration provides
4 for cumulative or class voting.

5 (17) A statement as to whether an agreement to terminate
6 the cooperative has been submitted to the proprietary lessees
7 for approval and remains outstanding.

8 (18) A statement as to whether the executive board has
9 knowledge of any violations of applicable governmental
10 requirements or knowledge of the existence of any hazardous
11 conditions (section 4403(a)(27)) with respect to the unit,
12 the limited common elements assigned thereto or any other
13 portion of the cooperative.

14 (19) A statement of whether the cooperative is a master
15 association or is part of a master association or could
16 become a master association or part of a master association.

17 (20) A statement describing the ownership of cooperative
18 interests, if any, or the occupancy of units, if any, which
19 may be in time shares and the maximum number of time-share
20 estates that may be created in the cooperative.

21 (21) A statement of whether the declarant retains the
22 special declarant right to cause a merger or consolidation of
23 the cooperative and, if so, the information describing such
24 right which was supplied by the declarant pursuant to section
25 4205 (relating to contents of declaration), if any.

26 (22) A signed statement by the association indicating
27 whether this subpart applies based on the effective date of
28 this subpart, the date on which the association was
29 established and any action taken to become subject to this
30 subpart.

1 * * *

2 Section 5. Section 5402(a) of Title 68 is amended by adding
3 paragraphs to read:

4 § 5402. Public offering statement; general provisions.

5 (a) General rule.--Except as provided in subsection (b), a
6 public offering statement must contain or fully and accurately
7 disclose:

8 * * *

9 (30) A copy of the provisions of this subpart.

10 (31) A signed statement by the association indicating
11 whether this subpart applies based on the effective date of
12 this subpart, the date on which the planned community was
13 established and any action taken to become subject to this
14 subpart.

15 * * *

16 Section 6. Section 5407(a) of Title 68 is amended to read:

17 § 5407. Resales of units.

18 (a) Information supplied by unit owner.--In the event of a
19 resale of a unit by a unit owner other than a declarant, the
20 unit owner shall furnish to a purchaser before execution of any
21 contract for sale of a unit or otherwise before conveyance a
22 copy of the declaration other than the plats and plans, the
23 bylaws, the rules or regulations of the association, the
24 provisions of this subpart and a certificate containing:

25 (1) A statement disclosing the effect on the proposed
26 disposition of any right of first refusal or other restraint
27 on the free alienability of the unit.

28 (2) A statement setting forth the amount of the monthly
29 common expense assessment and any unpaid common expense or
30 special assessment currently due and payable from the selling

1 unit owner and any surplus fund credits to be applied with
2 regard to the unit pursuant to section 5313 (relating to
3 surplus funds).

4 (3) A statement of any other fees payable by unit
5 owners.

6 (4) A statement of any capital expenditures proposed by
7 the association for the current and two next succeeding
8 fiscal years.

9 (5) A statement of the amount of any reserves for
10 capital expenditures and of any portions of those reserves
11 designated by the association for any specified project.

12 (6) The most recent regularly prepared balance sheet and
13 income and expense statement, if any, of the association.

14 (7) The current operating budget of the association.

15 (8) A statement of any judgments against the association
16 and the status of any pending suits to which the association
17 is a party.

18 (9) A statement describing any insurance coverage
19 provided for the benefit of unit owners.

20 (10) A statement as to whether the executive board has
21 knowledge that any alterations or improvements to the unit or
22 to the limited common elements assigned thereto violate any
23 provision of the declaration.

24 (11) A statement as to whether the executive board has
25 knowledge of any violations of applicable governmental
26 requirements or knowledge of the existence of any hazardous
27 conditions pursuant to section 5402(a)(27) (relating to
28 public offering statement; general provisions) with respect
29 to the unit, the limited common elements assigned to the unit
30 or any other portion of the planned community.

1 (12) A statement of the remaining term of any leasehold
2 estate affecting the planned community and the provisions
3 governing any extension or renewal thereof.

4 (13) A statement as to whether the declaration provides
5 for cumulative voting or class voting.

6 (14) A statement as to whether an agreement to terminate
7 the planned community has been submitted to the unit owners
8 for approval and remains outstanding.

9 (15) A statement of whether the planned community is a
10 master association or is part of a master association or
11 could become a master association or part of a master
12 association.

13 (16) A statement describing which units, if any, may be
14 owned in time-share estates and the maximum number of time-
15 share estates that may be created in the planned community.

16 (17) A statement of whether the declarant retains the
17 special declarant right to cause a merger or consolidation of
18 the planned community and, if so, the information describing
19 such right which was supplied by the declaration pursuant to
20 section 5205(13) (relating to contents of declaration; all
21 planned communities), if any.

22 (18) A signed statement by the association indicating
23 whether this subpart applies based on the effective date of
24 this subpart, the date on which the association was
25 established and any action taken to become subject to this
26 subpart.

27 * * *

28 Section 7. This act shall take effect in 60 days.