

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1840 Session of 2021

INTRODUCED BY MERCURI, R. BROWN, CIRESI, GAYDOS, HELM, M. MACKENZIE, N. NELSON, RADER, RYAN, SILVIS, SMITH AND NEILSON, SEPTEMBER 8, 2021

AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF REPRESENTATIVES, AS AMENDED, SEPTEMBER 28, 2021

AN ACT

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

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

13 Section 1. Section 3402(a) introductory paragraph of Title
14 68 of the Pennsylvania Consolidated Statutes is amended and the
15 subsection is amended by adding a paragraph to read:

16 § 3402. Public offering statement; general provisions.

17 (a) General rule.--Except as provided in subsection (b), a
18 declarant shall furnish to a purchaser, prior to the day of the <--
19 execution of any contract for sale of a unit, a public offering
20 statement. The public offering statement must BE CURRENT AND <--
21 contain or fully and accurately disclose:

1 \* \* \*

2 (27) A statement, in a font four times greater than the  
3 font in any other statement in the certificate, which shall  
4 be acknowledged and signed by the purchaser and in the  
5 following form:

6 "I have received a copy of the ~~bylaws~~ GOVERNING <--  
7 DOCUMENTS of the community to review and I understand  
8 the bylaws. I understand that the bylaws and  
9 declaration of this community are the governing  
10 documents and a binding contract between myself and  
11 the community, and I must abide by all bylaws, rules  
12 and regulations outlined in the documents. I also  
13 understand that this community is governed by an  
14 elected board of unit owners. I understand that  
15 disputes, concerns or legal issues that may arise in  
16 my time as a unit owner would, in most cases, be  
17 civil legal concerns; except in extreme circumstances  
18 of fraud and abuse, are otherwise noted as applicable  
19 provisions for complaints to the Bureau of Consumer  
20 Protection in the Office of Attorney General or have  
21 specific stated penalties."

22 \* \* \*

23 Section 2. Section 3407(a) introductory paragraph and (b) of  
24 Title 68 are amended and subsection (a) is amended by adding a  
25 paragraph to read:

26 § 3407. Resales of units.

27 (a) Information supplied by unit owner.--In the event of a  
28 resale of a unit by a unit owner other than a declarant, the  
29 unit owner shall furnish to a purchaser ~~before~~, prior to the <--  
30 day of the execution of any contract for sale of a unit, ~~for~~ <--

1 otherwise before conveyance,† a copy of the declaration (other <--  
2 than the plats and plans), the bylaws, the rules or regulations  
3 of the association and a CURRENT certificate containing: <--

4 \* \* \*

5 (18) A statement, in a font four times greater than the  
6 font in any other statement in the certificate, which shall  
7 be acknowledged and signed by the purchaser and in the  
8 following form:

9 "I have received a copy of the ~~bylaws~~ GOVERNING <--  
10 DOCUMENTS of the community to review and I understand  
11 the bylaws. I understand that the bylaws and  
12 declaration of this community are the governing  
13 documents and a binding contract between myself and  
14 the community, and I must abide by all bylaws, rules  
15 and regulations outlined in the documents. I also  
16 understand that this community is governed by an  
17 elected board of unit owners. I understand that  
18 disputes, concerns or legal issues that may arise in  
19 my time as a unit owner would, in most cases, be  
20 civil legal concerns; except in extreme circumstances  
21 of fraud and abuse, are otherwise noted as applicable  
22 provisions for complaints to the Bureau of Consumer  
23 Protection in the Office of Attorney General or have  
24 specific stated penalties."

25 (b) Information supplied by association.--The association,  
26 within ten days after a request by a unit owner, shall furnish a  
27 certificate containing the information under subsection (a) and  
28 copies of documents necessary to enable the unit owner to comply  
29 with this section. Except for the actual costs incurred to  
30 furnish the certificate and the copies of the necessary

1 documents, the association may not impose a fee on a unit owner  
2 for the certificate and the copies of the necessary documents to  
3 comply with the deadline specified under this subsection. A unit  
4 owner providing a certificate pursuant to subsection (a) is not  
5 liable to the purchaser for any erroneous information provided  
6 by the association and included in the certificate. IF THE <--  
7 ASSOCIATION FAILS TO FURNISH THE CERTIFICATE AND THE COPIES OF  
8 THE NECESSARY DOCUMENTS BY THE DEADLINE SPECIFIED UNDER THIS  
9 SUBSECTION, THE PURCHASER SHALL NOT BE SUBJECT TO ANY FEES  
10 IMPOSED BY THE ASSOCIATION.

11 \* \* \*

12 Section 3. Section 4403(a) introductory paragraph of Title  
13 68 is amended and the subsection is amended by adding a  
14 paragraph to read:

15 § 4403. Public offering statement; general provisions.

16 (a) General rule.--Except as provided in subsection (b), a  
17 declarant shall furnish to a purchaser, prior to the day of the <--  
18 execution of any contract for sale of a unit, a public offering  
19 statement. THE PUBLIC OFFERING STATEMENT must BE CURRENT AND <--  
20 contain or fully and accurately disclose:

21 \* \* \*

22 (28) A statement, in a font four times greater than the  
23 font in any other statement in the certificate, which shall  
24 be acknowledged and signed by the purchaser and in the  
25 following form:

26 "I have received a copy of the ~~bylaws~~ GOVERNING <--  
27 DOCUMENTS of the community to review and I understand  
28 the bylaws. I understand that the bylaws and  
29 declaration of this community are the governing  
30 documents and a binding contract between myself and

1           the community, and I must abide by all bylaws, rules  
2           and regulations outlined in the documents. I also  
3           understand that this community is governed by an  
4           elected board of unit owners. I understand that  
5           disputes, concerns or legal issues that may arise in  
6           my time as a unit owner would, in most cases, be  
7           civil legal concerns; except in extreme circumstances  
8           of fraud and abuse, are otherwise noted as applicable  
9           provisions for complaints to the Bureau of Consumer  
10           Protection in the Office of Attorney General or have  
11           specific stated penalties."

12           \* \* \*

13           Section 4. Section 4409(a) introductory paragraph and (b) of  
14 Title 68 are amended and subsection (a) is amended by adding a  
15 paragraph to read:

16 § 4409. Resales of cooperative interests.

17           (a) Information supplied by proprietary lessee.--Except in  
18 the case of a sale where delivery of a public offering statement  
19 is required or unless the transaction is exempt under section  
20 4401(b) (relating to applicability; waiver), a proprietary  
21 lessee shall furnish to a purchaser ~~{before}, prior to the day~~ <--  
22 ~~of the~~ execution of any contract of sale of a cooperative  
23 interest~~†~~ or, if there is no contract of sale, before the time <--  
24 of conveyance a copy of the declaration (other than the plats  
25 and plans)~~†~~, the bylaws and the rules or regulations of the <--  
26 association, including all amendments to such documents to the  
27 date of their delivery to the purchaser, and a CURRENT <--  
28 certificate containing:

29           \* \* \*

30           (22) A statement, in a font four times greater than the

1 font in any other statement in the certificate, which shall  
2 be acknowledged and signed by the purchaser and in the  
3 following form:

4 "I have received a copy of the bylaws GOVERNING <--  
5 DOCUMENTS of the community to review and I understand  
6 the bylaws. I understand that the bylaws and  
7 declaration of this community are the governing  
8 documents and a binding contract between myself and  
9 the community, and I must abide by all bylaws, rules  
10 and regulations outlined in the documents. I also  
11 understand that this community is governed by an  
12 elected board of unit owners. I understand that  
13 disputes, concerns or legal issues that may arise in  
14 my time as a unit owner would, in most cases, be  
15 civil legal concerns; except in extreme circumstances  
16 of fraud and abuse, are otherwise noted as applicable  
17 provisions for complaints to the Bureau of Consumer  
18 Protection in the Office of Attorney General or have  
19 specific stated penalties."

20 (b) Information supplied by association.--The association,  
21 within ten days after a request by a proprietary lessee, shall  
22 furnish the documents and a certificate containing the  
23 information under subsection (a) necessary to enable the  
24 proprietary lessee to comply with this section. Except for the  
25 actual costs incurred to furnish the documents and the  
26 certificate, the association may not impose a fee on a  
27 proprietary lessee for the documents and the certificate to  
28 comply with the deadline specified under this subsection. A  
29 proprietary lessee providing a certificate pursuant to  
30 subsection (a) is not liable to the purchaser for any erroneous

1 information provided by the association and included in or  
2 delivered with the certificate. IF THE ASSOCIATION FAILS TO <--  
3 FURNISH THE DOCUMENTS AND THE CERTIFICATE BY THE DEADLINE  
4 SPECIFIED UNDER THIS SUBSECTION, THE PURCHASER SHALL NOT BE  
5 SUBJECT TO ANY FEES IMPOSED BY THE ASSOCIATION.

6 \* \* \*

7 Section 5. Section 5402(a) introductory paragraph of Title  
8 68 is amended and the subsection is amended by adding a  
9 paragraph to read:

10 § 5402. Public offering statement; general provisions.

11 (a) General rule.--Except as provided in subsection (b), a  
12 declarant shall furnish to a purchaser, prior to the day of the <--  
13 execution of any contract for sale of a unit, a public offering  
14 statement. THE PUBLIC OFFERING STATEMENT must BE CURRENT AND <--  
15 contain or fully and accurately disclose:

16 \* \* \*

17 (30) A statement, in a font four times greater than the  
18 font in any other statement in the certificate, which shall  
19 be acknowledged and signed by the purchaser and in the  
20 following form:

21 "I have received a copy of the bylaws GOVERNING <--  
22 DOCUMENTS of the community to review and I understand  
23 the bylaws. I understand that the bylaws and  
24 declaration of this community are the governing  
25 documents and a binding contract between myself and  
26 the community, and I must abide by all bylaws, rules  
27 and regulations outlined in the documents. I also  
28 understand that this community is governed by an  
29 elected board of unit owners. I understand that  
30 disputes, concerns or legal issues that may arise in

1 my time as a unit owner would, in most cases, be  
2 civil legal concerns; except in extreme circumstances  
3 of fraud and abuse, are otherwise noted as applicable  
4 provisions for complaints to the Bureau of Consumer  
5 Protection in the Office of Attorney General or have  
6 specific stated penalties."

7 \* \* \*

8 Section 6. Section 5407(a) introductory paragraph and (b) of  
9 Title 68 are amended and subsection (a) is amended by adding a  
10 paragraph to read:

11 § 5407. Resales of units.

12 (a) Information supplied by unit owner.--In the event of a  
13 resale of a unit by a unit owner other than a declarant, the  
14 unit owner shall furnish to a purchaser ~~before~~, ~~prior to the~~ <--  
15 ~~day of the~~ execution of any contract for sale of a unit ~~for~~ <--  
16 otherwise before conveyance~~;~~ a copy of the declaration other <--  
17 than the plats and plans, the bylaws, the rules or regulations  
18 of the association and a CURRENT certificate containing: <--

19 \* \* \*

20 (18) A statement, in a font four times greater than the  
21 font in any other statement in the certificate, which shall  
22 be acknowledged and signed by the purchaser and in the  
23 following form:

24 "I have received a copy of the ~~bylaws~~ GOVERNING <--  
25 DOCUMENTS of the community to review and I understand  
26 the bylaws. I understand that the bylaws and  
27 declaration of this community are the governing  
28 documents and a binding contract between myself and  
29 the community, and I must abide by all bylaws, rules  
30 and regulations outlined in the documents. I also



1 understand that this community is governed by an  
2 elected board of unit owners. I understand that  
3 disputes, concerns or legal issues that may arise in  
4 my time as a unit owner would, in most cases, be  
5 civil legal concerns; except in extreme circumstances  
6 of fraud and abuse, are otherwise noted as applicable  
7 provisions for complaints to the Bureau of Consumer  
8 Protection in the Office of Attorney General or have  
9 specific stated penalties."

10 (b) Information supplied by association.--The association,  
11 within ten days after a request by a unit owner, shall furnish a  
12 certificate containing the information under subsection (a) and  
13 copies of documents necessary to enable the unit owner to comply  
14 with this section. Except for the actual costs incurred to  
15 furnish the certificate and the copies of the necessary  
16 documents, the association may not impose a fee on a unit owner  
17 for the certificate and the copies of the necessary documents to  
18 comply with the deadline specified under this subsection. A unit  
19 owner providing a certificate pursuant to subsection (a) is not  
20 liable to the purchaser for any erroneous information provided  
21 by the association and included in the certificate. IF THE <--  
22 ASSOCIATION FAILS TO FURNISH THE CERTIFICATE AND THE COPIES OF  
23 THE NECESSARY DOCUMENTS BY THE DEADLINE SPECIFIED UNDER THIS  
24 SUBSECTION, THE PURCHASER SHALL NOT BE SUBJECT TO ANY FEES  
25 IMPOSED BY THE ASSOCIATION.

26 \* \* \*

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