

New Pennsylvania Remedies for HOA Disputes

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The 25 percent of people in Pennsylvania who own property within a community managed by a homeowners' or unit owners' association (HOA) could have additional tools to resolve disputes thanks to a proposed law awaiting Gov. Tom Wolf's signature.

The Pennsylvania Senate on Monday approved HB 595, which amends provisions of the [Pennsylvania Uniform Condominium and Planned Community Acts](#) as well as the [Real Estate Cooperative Act](#). The bill will be effective 60 days from the date Wolf signs it into law.

According to its sponsor Rep. Rosemary M. Brown (R-Monroe), the bill is aimed at providing those who own property within condominiums, planned communities, cooperatives and unit owner associations with additional tools to resolve disputes within the community. Specifically, the intent of the bill is to "grant unit owners and board members in these communities the ability to seek assistance and investigation when there may be illegal activity occurring," according to [her memo that accompanied the bill](#).

Among the bill's most important features is the requirement that HOAs must incorporate into their bylaws procedures for alternative dispute resolution (ADR) between unit owners or unit owners and the association, as long as all parties agree to the ADR method. That includes mediation or arbitration, two processes that help resolve the dispute in a timely and efficient way, and without going to court.

Additionally, the bill gives unit owners who are current in the payment of their dues and assessments the right to file a complaint with the Pennsylvania Attorney General's Bureau of Consumer Protection when they believe there are violations of the established meeting, voting or record-keeping requirements. To file this complaint, the unit owner must have either exhausted its ADR options under the bylaws or have failed to obtain a remedy to the dispute through ADR within 100 days. A unit owner also may file a complaint immediately if the ADR options were not available to the unit owner in the first place or if the HOA refuses to participate in ADR.

The bill does not distinguish between commercial and residential communities, which means that these requirements apply to all developers, owners and HOAs. Failure to comply with the provisions of the acts, including the incorporation of these ADR provisions within an HOA's bylaws, could open the door to claims against the developer, including punitive damages and the payment of attorneys' fees to the unit owner that filed the claim.

If you have any questions about HB 595 or general compliance with acts associated with condominiums, planned communities, cooperatives, or HOAs, please [contact me](#) or any of the attorneys in [Barley Snyder's Real Estate Practice Group](#).

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