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Honorable Members of the Pennsylvania House Judiciary Committee:

On behalf of the Pennsylvania and Delaware Valley Chapter of Community Associations Institute (CAI) and our Legislative Action Committee, I write to convey our support for House Bill 1979, introduced by Representative Paul Schemel.

CAI represents the interests of condominiums, cooperatives and planned communities. The Pennsylvania & Delaware Valley Chapter is made up of nearly 1,700 elected association homeowner leaders, community managers, and business partners who impact close to three million Pennsylvanians who live a common interest community.

Unit owners residing in common interest communities (CICs) are required to pay assessments to maintain the common facilities in the community. If a unit owner fails to pay assessments, statute and case law provide associations two remedies: a) a four-year statutory lien and b) a personal collection action. Prior to 2009, associations based their personal collection actions on a four-year statute of limitations, founded upon a breach-of-contract theory. However, in 2009, the Pennsylvania Commonwealth Court ruled that a personal action to collect unpaid community assessments, under certain circumstances, constituted an action under seal, subject to a twenty-year statute of limitations. This new collection remedy has been vitally important in helping struggling communities survive the recession that is still lingering in certain parts of the state.

Unfortunately, this important remedy is now in jeopardy as the relevant provision of the Judicial Code, 42 Pa. C.S. § 5529(b), is subject to a sunset date, set to expire on June 27, 2018. While CAI encourages community associations to timely and diligently pursue collection of delinquent assessments, many communities simply don't have the administrative capacity or staff to keep up with the growing number of delinquencies, especially in a period of economic downturn and recovery, when delinquencies are at their highest. It is these communities, which number in the hundreds, which are most at risk by the sunset of this important provision.

House Bill 1979 would eliminate the sunset provision and ensure that this important collection remedy is preserved. CAI strongly supports passage of this common-sense piece of legislation.

On behalf of CAI and the thousands of community associations throughout the Commonwealth, I respectfully request your support in reporting this legislation out of the Judiciary Committee and to a full vote of the House.

Very kind regards,

Tony Campisi
Executive Director