

At state committee hearing in Doylestown, condo owners lobby for relief from county recording fees

By James Boyle, staff writer | Posted: Thursday, July 28, 2016 12:20 pm

When the Villages of Flowers Mill Homeowners Association in Langhorne amended its bylaws in 2011 to allow for exceptions to the community's age restrictions, it paid \$395 to the Bucks County Recorder of Deeds to file the changes.

Two years later, the association altered the bylaws again, to allow more flexibility to the dollar amount of the contribution paid to the association by a new homeowner upon settlement. This time, the county charged the Villages of Flowers Mill \$6,822, a drastic increase for something the homeowners association's president said were two similar transactions.

"There is no substantive difference between the two filings," said Howard Solganick, in testimony before the Pennsylvania House Urban Affairs Committee. "The sole difference is a cost increase of over 1,725 percent."

Solganick appeared before the committee Thursday morning at the Bucks County Administration building in Doylestown to support the passage of House Bill 1101. The legislation, alongside its companion Senate Bill 1282, would eliminate certain recording fees that have been called duplicative and exorbitant by the bills' sponsors.

When a homeowners, condominium or cooperative association is formed, one of the documents filed with the county is the declarations of covenants, conditions and restrictions. These statutes govern the community's operations and membership requirements, and state law requires them to be recorded once in the grantor/grantee index, along with any future amendments. It is the standard database used by most Pennsylvania counties.

The bills under consideration by the Urban Affairs Committee would limit an indexing fee charged by counties using the alternate Uniform Parcel Identification (UPI) system to organize property records. This system allows public users to search for all documents related to a particular property by its parcel ID number.

When a condominium or homeowners association files its declarations or amendments in a county using the UPI system, the recorder charges an average fee of \$10 to \$15 per unit affected by the documents. For example, a 500-unit community charged Montgomery County's fee of \$15 a unit would pay \$7,500 just for the indexing.



(File) State Rep. Scott Petri, R-178, of Bucks County.

"The imposition of such exorbitant recording fees has had, and will continue to have, a profound chilling effect upon the ability of community associations to amend their declarations," testified Steven Sugarman, an attorney from the Community Associations Institute.

HB 1101 and SB 1282 would restrict recorders of deeds from charging a per-unit fee for indexing declarations and amendments. Chester County Commissioner Terence Farrell testified Thursday that the UPI system is designed to provide access to all documents related to a property, including an associations bylaws and amendments. Each parcel should be tied to those documents, a task that requires the recorder of deeds to certify the accuracy of each ID number.

"This involves working with the county's assessment office and mapping offices to determine the accuracy of the information attempting to be recorded," said Farrell.

Supporters of the bills argued that recording the same document hundreds of times for a homeowners association does not require the amount of resources to justify the charge, calling the fee an unlawful tax.

Committee Chairman and state Rep. Scott Petri, R-178, of Bucks County, said a full study into deed recording fees should be conducted in the near future. Until then, he wants to see quick action on reforming this one piece of the expense.

"We have six days until recess," said Petri. "I'd like all the parties to come up with a solution and run both bills back to the Senate before we break."