



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1289

PRINTER'S NO. 1757

PRIME SPONSOR: Fleming

COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
General Fund	\$0	\$0
Local Government	\$0	\$0

SUMMARY:

Voids existing unlawful restrictive covenants and provides property owners and homeowner associations a process to repudiate unlawful restrictive deed covenants.

ANALYSIS:

The legislation adds Chapter 74 (Repudiation of Discriminatory Real Estate Covenants) to Title 68 to provide property owners or homeowner associations a streamlined process to repudiate unlawful restrictive covenants from their deeds.

The legislation establishes a process for property owners or homeowner associations to file a form, created by the Department of Community and Economic Development, with their county recorder of deeds to repudiate the unlawful restrictive covenant. The recorder may not assess a fee for filing this form. An unlawful restrictive covenant is defined as a provision that purports to restrict ownership or occupancy of real property based on a practice or policy of discrimination against individuals or groups covered under the Pennsylvania Human Relations Act. Subsection 7402 (2) clarifies that it would not be unlawful for a religious organization to affix a covenant or restriction to a property that prevents the use of the property for purposes that would be offensive to that religious organization and that it would also not be unlawful to use an age-based covenant or restriction intended to create a senior living community.

The definitions section and the nullification of existing unlawful restrictive covenants take effect immediately. The remainder of the legislation would take effect in 60 days upon enactment.

FISCAL IMPACT:

Enactment of this legislation will have no impact on Commonwealth funds. Although the legislation requires the county recorder of deeds to record the submitted form at no charge, the recorder of deeds should be able to perform the required work within current staffing limits.

PREPARED BY: Bradley Keen
House Appropriations Committee (D)

DATE: June 27, 2023

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.