PROA Needs Your Help For its Legal Defense Fund to Fight for Real Estate Investors Statewide

On behalf of Dornish Law Offices, PC | Oct 15, 2009 | All, News, Real Estate Practice

By Bradley S. Dornish, Esq.

Why does it matter to a landlord in Pittsburgh or Philadelphia what a small town council does in the middle of the state? Why should an investor in Erie worry about the result of a lawsuit in Common Pleas Court in Lackawanna County?

The answer to these questions is that every municipal ordinance affecting landlords or investors and every lawsuit involving real estate anywhere within Pennsylvania influences what happens in your municipality, and what happens in your county courts in several different ways. First of all, municipal leaders frequently meet regionally through their Councils of Government (COGs), and meet statewide several times a year at conferences to network. They discuss their common problems, like the lack of tax revenue to meet increasing costs of providing government services, and share the "new ideas" each municipality has implemented to address these concerns, such as landlord registration and inspection ordinances. From Berwick to Connellsville, West Chester to New Castle, we have seen ordinances based on the same original ordinance being handed from municipal leader to municipal leader and implemented with very little variation all over Pennsylvania.

When a municipal ordinance is subjected to a lawsuit challenging its legality, and the ordinance sustains the challenge, no matter who brought the lawsuit or why, no matter how prepared or experienced the attorney who handled the case, the ordinance gets the label of being "court tested", and copycat ordinances spread from municipality to municipality more quickly. When our PROA affiliated association in Berwick lost the first challenge to their new ordinance in Federal Court in Eastern PA, the small

municipality of Connellsville, in Fayette County in Western PA, passed the same ordinance, and told objecting landlords there that challenges to the ordinance had already been thrown out of court. It didn't matter that the Berwick Association and PROA had already filed a second suit against the ordinance there in State Court, and was prepared to go through the appellate courts.

For these reasons, we as Pennsylvania landlords and Pennsylvania real estate investors need to pay attention to the real estate related ordinances being passed in cities and towns all over Pennsylvania, as well as the bills making their way through the Pennsylvania Legislature when it is not stuck debating the state budget. We need to watch for lawsuits challenging local ordinances, and help to make sure the legal battles are well handled by those who challenge them.

PROA already spends about \$60,000.00 per year on its lobbying efforts at the State level, and with the rash of "Blight" ordinances, and others like those attempting to require wired carbon monoxide detectors spread throughout rental units, and sprinkler systems retrofitted to all rentals, that budget is barely enough. With the economy in low gear, the number of new real estate investors joining our ranks is barely keeping up with the number retiring from investing, and our conferences are not making as much money for our state and local associations as they did just a few years ago. But the need for money in our PROA Legal Defense Fund and the Legal Defense Funds of our local real estate organizations who have such funds is immediate and great. PROA and local associations are fighting at least a dozen different legal battles right now, and requests for help in fighting other such ordinances are coming in at each quarterly board meeting. To meet these challenges, PROA and our local organizations need a budget of about \$100.00 per member per year. We have not had an organized call for contributions to the legal defense funds, but the time is now. If you have already contributed \$100.00 or more to your local association's Legal Defense Fund this year, thank you for doing your part. If you have not contributed, or can afford to contribute more, please consider making your contribution now, before winter heat bills tighten the budget on your rental business. If your local organization has a Legal Defense Fund, split your contribution 50/50 between that fund and PROA's Legal Defense Fund. If your association has no legal fights of its own yet, please send your whole contribution to PROA, where it will be spent helping associations all over

the state who are fighting their battles now. Next year, the battle may come to your county or town, and you will need PROA's support, too. And money isn't the only way we need help. When your municipal council or commissioners are considering a landlording or investing related ordinance, go to their meetings. Read my article on "Finding Your Purpose as a Real Estate Investor", and let them know what you do in and for the communities in which you invest. Ask for PROA's and your association's help in reviewing the ordinance being considered, so you can explain why it is unfair, illegal or maybe even unconstitutional, instead of just arguing angrily that you don't like it. Keep PROA and members of your association up to date on what is being considered and passed by your municipalities. We can't watch everywhere without a lot more eyes helping. We can't make our voices heard without a larger chorus. But don't forget the financial contribution, either.

You may say I have a self interest in asking for these contributions, since my law firm represents PROA, ACRE, WPREIA and other local associations throughout Western Pennsylvania in these actions. That is certainly true. However, I am also a landlord in Allegheny and Beaver Counties, in municipalities affected by these ordinances. I pay rental registrations, inspection fees and other charges resulting from these ordinances, and face responsibility (unfairly and perhaps unconstitutionally) for the actions of many of my tenants under other ordinances.

I am not only asking for your help. I am asking you to follow my own lead. This year, I have already paid \$1,000.00 in legal fees in an action involving ACRE, my check to PROA's Legal Defense Fund for \$500.00 is on the way to John Baldwin, and thousands of dollars from a share of the proceeds of every seminar I have given and every one of my real estate programs sold through the ACRE and PROA websites, have found their way to various local associations or PROA. I discount my fees to these organizations, and work with them even when they can't afford to keep current on their bills. I even offer to help them raise money for their legal fees by teaching Saturday seminars at their groups. So I feel very comfortable when I say, "Now is your turn to step up to the plate and help PROA and your local association." Thank You!

(Created October 2009)