Members Brief

An informational brief prepared by the LSC staff for members and staff of the Ohio General Assembly

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Solar Panels in Planned Communities and Condominium Properties

In Ohio, the declaration of a planned community or condominium property may prohibit, limit, or regulate solar panels. If solar panels are not addressed in the declaration, the home owners associations (HOAs) or unit owners associations (UOAs) may place reasonable restrictions concerning size, place, and manner of placement. Ohio law generally requires that the cost of installation, insurance, maintenance and repair of solar panels be covered by the owner of the property or unit, and not be treated as a common expense.

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Introduction

Renewable energy devices are an increasingly popular way for Ohioans to reduce their electric bills. Wind turbines account for nearly 60% of the state's renewable portfolio, but solar energy receptacles are more common in residential settings. The Revised Code defines a solar energy collection device as "any device manufactured and sold for the sole purpose of facilitating

¹ See <u>Ohio: State Profile and Energy Estimates</u>, which is available on the U.S. Energy Information Administration's website: eia.gov.

the collection and beneficial use of solar energy, including passive heating panels or building components and solar photovoltaic apparatus."² The most common form of solar energy collection devices are flat-plate collectors (commonly referred to as solar panels), usually installed on the roofs of buildings.³ According to the Office of the Ohio Consumer's Council, in 2023 the combined capacity of all solar panels installed in Ohio was 1,389 megawatts – "enough to power almost 200,000 homes."⁴

There are differences of opinion in terms of the efficacy and aesthetic appeal of solar panels in residential areas. As a result, homeowners who seek to install them sometimes encounter zoning restrictions and other legal obstacles.⁵ Such obstacles are common in the context of planned communities and condominium properties.

Planned communities

Background

A planned community is a group of individual lots for which a deed, common plan, or declaration require any of the following:

- That owners become members of an owners assocation (HOA) that governs the community;
- That owners or the HOA holds or leases property or facilities for the benefit of the owners;
- That owners support by membership or fees, property or facilities for all owners to use.⁶

In essence, a planned community describes an arrangement between property owners by which they agree to abide by certain rules in hopes of creating a cohesive community. In some cases, those rules include prohibitions or limitations on solar panels. Ohio's Planned Community Law did not directly address solar panels until 2022. That's when S.B. 61 of the 134th General Assembly codified certain presumptions and requirements related to their installation, maintenance, and repair.

Prohibitions and limitations

S.B. 61 preserves the right of planned communities to ban solar panels by specifically prohibiting them in the declaration. However, if there is no express prohibition in the declaration, it allows residents of planned communities to install them on either the roof of their house or elsewhere on the lot in either of two situations:

³ See the U.S. Energy Information Administration <u>Solar thermal collectors</u>, which is available on EIA's website: <u>eia.gov/energyexplained/solar</u>.

² R.C 5311.192(C).

⁴ See <u>Quick Facts About Renewable Energy and Smart Grid</u>, which is available on the Ohio Consumer's Council website: <u>occ.ohio.gov</u>.

⁵ See R.C. 519.213.

⁶ R.C. 5312.01.

- The planned community declaration specifically allows for solar panels and regulates their use within the community and establishes responsibility for the cost to insure, maintain, repair, and replace the devices;
- The resident, rather than the owners association, pays the cost to insure, maintain, repair, and replace the roof or alternative location on which the device is installed.⁷

If the declaration does not prohibit solar panels, the HOA may still establish reasonable restrictions concerning the size, place, and manner of placement.⁸ As of the date of this publication, no court has elaborated on what constitutes a reasonable restriction.

Solar Panels in Planned Communities		
Permitted if	Not permitted if	
Specifically allowed and regulated in the declaration.	Specifically prohibited in the declaration.	
Not mentioned in the declaration, and relevant costs are covered by the owner, not the HOA.	Solar panels do not meet reasonable restrictions imposed by the HOA.	

Damages

Before an HOA may charge an owner for damages caused by, or an enforcement assessment in connection with, solar panels, it must give written notice to the owner that includes the following: (1) a description of the property damage or violation; (2) the amount of the proposed charge or assessment; (3) a statement that the owner has a right to a hearing before the association's board of directors to contest the proposed charge or assessment; (4) a statement setting forth the procedures to request a hearing; and (5) a reasonable date by which the owner must cure the violation to avoid the proposed charge or assessment.⁹

Condominiums

Background

A condominium is a form of real property under which each owner has both of the following:

- An individual ownership interest in a unit, with the right to exclusive possession of that unit;
- An undivided ownership interest with the other unit owners in the common elements of the condominium property.

⁸ R.C. 5312.16(B).

⁷ R.C. 5312.16(A).

⁹ R.C. 5312.16(C).

Condominium property is administered by a UOA that consists of the unit owners. ¹⁰ While condominiums are not planned communities, S.B. 61 enacted similar standards related to solar panels.

Prohibitions and limitations

Only condominiums that are considered a "solar appropriate unit," meaning that the unit does not have any units directly above or below it, may have solar panels installed. As with planned communities, the UOA may choose to ban solar panels in the declaration. Absent an express prohibition, owners of solar appropriate units may install solar panels in two situations:

- The condominium declaration specifically allows for and regulates the solar panels and establishes responsibility for the cost to insure, maintain, repair, and replace them;
- The owner's unit, as defined in the declaration, includes the condominium's roof, and the cost to insure, maintain, repair, and replace the roof is the owner's responsibility.¹²

If the declaration does not prohibit solar panels, the UOA may still establish reasonable restrictions concerning the size, place, and manner of placement.¹³ As of the time of this publication, no court has elaborated on what constitutes a reasonable restriction.

Solar Panels on Condominiums		
Permitted if	Not permitted if	
Specifically allowed and regulated in the declaration.	Specifically prohibited in the declaration.	
Not mentioned in the declaration, and relevant costs are covered by the owner, not the UOA.	Solar panels do not meet reasonable restrictions imposed by the UOA.	
	The condominium is not a solar appropriate unit; it has a unit directly above or below it.	

Damages

Before the UOA may charge a unit owner for violations of the declaration, bylaws, and rules of the association, including those related to solar panels, the association must give written notice to the unit owner that includes the following: (1) a description of the property damage or violation; (2) the amount of the proposed charge or assessment; (3) a statement that the owner

¹¹ R.C. 5311.192(C).

¹⁰ R.C. 5311.01.

¹² R.C. 5311.192(A).

¹³ R.C. 5311.192(B).

has a right to a hearing before the association's board of directors to contest the proposed charge or assessment; (4) a statement setting forth the procedures to request a hearing; and (5) a reasonable date by which the unit owner must cure the violation to avoid the proposed charge or assessment.¹⁴

¹⁴ 5311.081(C).

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