

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 225

Session of  
1989

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INTRODUCED BY RICHARDSON, LINTON, TRELLO, KUKOVICH, HARPER,  
CARN, FREEMAN, MILLER, SAURMAN, VEON, TIGUE, CAWLEY, ACOSTA,  
BISHOP, EVANS, HUGHES, JAMES, OLIVER, PRESTON, ROBINSON,  
ROEBUCK, THOMAS, WILLIAMS, R. C. WRIGHT, REBER, DALEY AND  
ITKIN, FEBRUARY 1, 1989

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AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, MARCH 7, 1989

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### AN ACT

1 Providing authority for urban homesteading and the procedure for  
2 establishing an urban homesteading program; expanding local  
3 government's authority in dealing with urban blight and  
4 decay; and providing exclusions from certain statutes.

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4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Urban  
8 Homesteading and Rehabilitation Act.

9 Section 2. Legislative intent.

10 The General Assembly of the Commonwealth of Pennsylvania  
11 recognizes the need for strengthening the authority of local  
12 government in dealing with the problems of housing. The General  
13 Assembly recognizes that urban homesteading can be an effective  
14 tool in local government's continuing struggle against urban  
15 decay. In conjunction with other Federal, State and local  
16 programs, urban homesteading offers the unique potential of  
17 preserving our architectural heritage in addition to slowing and  
18 reversing the loss of existing urban housing units. While the  
19 concept of urban homesteading is being investigated by some in  
20 Pennsylvania, it is desirable that such programs have some  
21 uniformity of purpose and design. For the concept of urban  
22 homesteading to work at an optimum level, it will be necessary  
23 for such programs to be excluded from certain statutory  
24 limitations normally placed on local governments.

25 Section 3. Definitions.

26 The following words and phrases when used in this act shall  
27 have the meanings given to them in this section unless the  
28 context clearly indicates otherwise:

29 "Agency." The Municipal Homestead Agency.

30 "Board." The governing body of the homestead agency

1 appointed to administer this act.

2 "Code official." The director or individual responsible for  
3 the supervision of the bureau or department responsible for code  
4 enforcement.

5 "Council." The elected body of officials governing the  
6 municipality.

7 "Department." The Department of Community Affairs of the  
8 Commonwealth.

9 "Governing body." The elected council of the municipality.

10 "Homestead Board." The board created by section 4(b) or an  
11 existing authority, board, commission or quasi-governmental  
12 nonprofit corporation in existence prior to the effective date  
13 of this act to which the council, by ordinance, has assigned the  
14 duty to administer the homestead program provided by this act.

15 "Homesteader." An individual, his spouse, housing  
16 cooperative or nonprofit corporation conforming to the  
17 provisions and intent of this act.

18 "Housing cooperative." Any five or more persons, who shall  
19 have associated themselves together by written articles of  
20 association, such as described in section 1 of the act of June  
21 7, 1887 (P.L.365, No.252), entitled "An act to encourage and  
22 authorize the formation of cooperative associations, productive  
23 and distributive, by farmers, mechanics, laborers, or other  
24 persons," for the purpose of buying, selling, holding, leasing  
25 or improving lands, tenements or buildings.

26 "Major code deficiencies." All those deficiencies enumerated  
27 under section 11.

28 "Municipality." Any political subdivision of this  
29 Commonwealth other than a school district.

30 "Parcel." That tract of land or unit of housing which, under

1 existing local zoning regulations, would accommodate a single-  
2 family residence or housing cooperative as defined in this act.  
3 The term "parcel," unmodified by the word "developed," shall  
4 include both developed and undeveloped tracts.

5 "Trustee." The board designated by the municipality.

6 Section 4. Urban homesteading.

7 (a) Program established.--There is hereby created an urban  
8 homesteading program to be effective immediately and  
9 administered by option of the various municipalities of this  
10 Commonwealth, meeting certain requirements set forth in this  
11 act, and upon enactment of the necessary ordinances.

12 (b) Homestead Board.--The governing body of the municipality  
13 is hereby authorized to create and appoint members of a board to  
14 be known as the Homestead Board, whose purposes shall be to  
15 administer the homestead program, except that nothing in this  
16 subsection shall be interpreted to prohibit the governing body  
17 from assigning such duties, by ordinance, to an existing  
18 authority, board, commission or existing quasi-governmental  
19 nonprofit corporation. Except where council has assigned  
20 homestead program duties to an existing authority, board,  
21 commission or quasi-governmental nonprofit corporation, the  
22 Homestead Board shall be composed of no less than ~~nine, and no~~ <—  
23 ~~more than 12, members, no less than three of whom shall be~~  
24 ~~members of minority groups and no fewer than one of whom shall~~  
25 ~~be a representative of a local community action agency, where~~  
26 ~~such an agency exists. All board members shall have specific~~  
27 ~~experience with urban housing.~~ THREE MEMBERS. WHEN POSSIBLE, <—  
28 THERE SHALL BE AN EQUAL REPRESENTATION OF MINORITY GROUPS ON THE  
29 BOARD, INCLUDING AT LEAST ONE REPRESENTATIVE OF A LOCAL  
30 COMMUNITY ACTION AGENCY, WHERE SUCH AN AGENCY EXISTS. WHEN

1 POSSIBLE, A SIMPLE MAJORITY OF THE BOARD MEMBERS SHALL HAVE  
2 SPECIFIC EXPERIENCE WITH MUNICIPAL HOUSING-RELATED PROGRAMS.  
3 Board members shall serve a term of three years and shall be  
4 eligible for reappointment. Members of the board shall receive  
5 no compensation but shall be reimbursed for expenses actually  
6 incurred in connection with performing the duties prescribed by  
7 this act and shall by majority vote appoint a secretary of the  
8 board, who may or may not be a member of the board. The  
9 secretary shall receive such compensation as may be agreed to by  
10 the members of the Homestead Board. In addition, the members of  
11 the Homestead Board may appoint and fix the compensation of such  
12 personnel as may be necessary to implement the homestead  
13 program, provided council has made funds available for such  
14 purposes.

15 (c) Powers and duties.--The board shall:

16 (1) Review and publicize, by newspaper advertising or  
17 some other effective method, the availability of homestead  
18 program properties and the procedure to apply for the  
19 properties. Such announcement shall include an estimated cost  
20 of bringing the aforementioned properties up to municipal  
21 code standards.

22 (2) Receive applications, recording thereon the date and  
23 time received, and review applications in the order received  
24 as to applicants' compliance with criteria established by  
25 this act and local ordinance and the regulations promulgated  
26 thereunder.

27 (3) In order, according to date and time of receipt of  
28 application, approve and certify applicants as to their  
29 specific construction skills and ability in general to  
30 refurbish the assigned parcel.

1           (4) Recommend, in order, according to date and time of  
2 receipt of application, the execution by the governing body  
3 of a land trust agreement with the approved applicant. The  
4 land trust agreement shall grant a 24-month tax exemption for  
5 the assigned parcel and be recorded with the appropriate  
6 county officials. If the number of approved applicants  
7 exceeds the number of parcels for which land trust agreements  
8 are recommended, agreements shall be negotiated in order,  
9 according to date and time of receipt of application, until  
10 all available parcels are subject to such agreements.  
11 Negotiations with those approved applicants who are without  
12 agreements shall be commenced in order, according to the date  
13 and time of receipt of application, as additional parcels  
14 become available.

15           (5) Approve and recommend the execution by the governing  
16 body of all documents necessary to convey fee simple title to  
17 the assigned parcel to the applicant upon the applicant's  
18 fulfillment of all conditions enumerated in section 6.

19           (6) Utilize the aid and assistance of other relevant  
20 municipal agencies in the furtherance of the duties and  
21 responsibilities of the board.

22           (7) Promulgate regulations consistent with the purpose  
23 and spirit of the homestead program as outlined herein, said  
24 regulations to be approved in their entirety by the municipal  
25 governing body and by the municipality's solicitor as to  
26 form.

27           (8) Give notice to the code official which provides  
28 that, pursuant to the authority of the governing body under  
29 section 5(b), approved identified homesteaders who are  
30 rehabilitating existing structures are exempt from the

1 enforcement of specific sections of the housing and property  
2 maintenance code during the period of rehabilitation or  
3 construction, except that no section relating to the  
4 individual's health and safety shall be waived.

5 (9) Give notice to the code officer who shall thereupon  
6 institute public nuisance proceedings against certain  
7 deteriorated and blighted structures for demolition or  
8 rehabilitation through homesteading.

9 (10) Provide applicants with a report as to the  
10 structural deficiencies of the property and other pertinent  
11 information, including an estimate of the costs of bringing  
12 the property into compliance with the housing and property  
13 maintenance codes.

14 (11) Recommend to council that a municipality  
15 homesteading map be prepared designating the location of  
16 properties to be included under the homesteading program to  
17 insure that the homesteading program is compatible with  
18 existing or proposed programs of other municipality agencies.

19 (d) Catalog of property.--In each municipality embarking  
20 upon an urban homesteading program, the bureau or department  
21 charged with the responsibilities of code enforcement, as  
22 specified in this act, shall, in conjunction with the municipal  
23 planning commission and its staff under the direction of the  
24 Homestead Board, compile and maintain a catalog of all  
25 unoccupied dwellings and vacant lots owned by the municipality  
26 or otherwise. From this catalog shall be determined which  
27 parcels and structures can be utilized for building or  
28 rehabilitation by homesteaders.

29 (e) Approval of governing body.--The governing body, upon  
30 recommendation of the municipal planning commission, shall by

1 resolution approve the parcels cataloged under subsection (d)  
2 for disposition by the board for the public purpose of improving  
3 the quality of housing in accordance with the homestead program.  
4 Section 5. Qualifications.

5 (a) Qualifications enumerated.--Homestead program property,  
6 for purposes of this act, shall be limited to that property  
7 which, when rehabilitated, is a single-family residence or  
8 housing cooperative and which will be offered to qualified  
9 applicants at no initial cost on a land trust agreement provided  
10 that the applicant:

11 (1) Is at least 18 years of age or is the head of a  
12 family.

13 (2) Is a citizen of the United States or a resident  
14 alien as determined by the United States Immigration and  
15 Naturalization Service, or its successor.

16 (3) Is a recognized nonprofit community group,  
17 corporation or housing cooperative acting as an agent for a  
18 homesteader.

19 (4) Has financial resources and the mechanical skills to  
20 rehabilitate an existing dwelling or construct a new  
21 dwelling, as the case may be.

22 (5) Upon assignment, contractually agrees to  
23 rehabilitate, or construct on, as the case may be, the parcel  
24 assigned to him and further agrees to:

25 (i) bring the assigned parcel up to housing and  
26 property maintenance code standards, as provided in this  
27 act, within 18 months after assignment of the parcel to  
28 him;

29 (ii) permit quarterly inspections by the code  
30 enforcement personnel for determination by the board that



1 reasonable, satisfactory progress is being made by the  
2 homesteader in rehabilitating or constructing on the  
3 parcel assigned to him; and

4 (iii) live in, occupy and maintain as a single-  
5 family dwelling or a housing cooperative to the housing  
6 and property maintenance code standards, the parcel  
7 assigned to him for a period of not less than five years.

8 (b) Land trust agreement.--After approval of an applicant  
9 pursuant to section 4(c)(3), the governing body of the  
10 municipality shall negotiate and execute a land trust agreement  
11 with the prospective homesteader, thereby assigning the parcel.  
12 The agreement shall specify, in as much detail as reasonably  
13 possible, a schedule of improvements the homesteader shall make  
14 to bring the dwelling into conformity with the municipal housing  
15 and property maintenance code within 18 months. The agreement  
16 shall be in sufficient detail so that a homesteader shall be  
17 able to know what he must do and by when he must do it to  
18 fulfill the conditions of the agreement.

19 (c) Conveyance upon fulfillment.--If and when the conditions  
20 of the land trust agreement are fulfilled, as determined and  
21 certified by the code enforcement bureau, the governing body of  
22 the municipality shall execute all documents necessary to convey  
23 a fee simple title to the assigned parcel to the applicant so  
24 qualifying.

#### 25 Section 6. Land trust agreement.

26 The agreement between the homesteader and the governing body  
27 shall be a land trust agreement and shall contain the following  
28 minimal conditions:

29 (1) The homesteader of the agreement has the first right  
30 to the title of the real estate, upon completion of the land

1 trust agreement.

2 (2) The homesteader's interest in the trust agreement  
3 shall be considered personal property.

4 (3) The homesteader has the right of possession,  
5 management, control and operation of the property.

6 (4) The homesteader has the duty of maintenance and  
7 repair of the property in accordance with the provisions of  
8 the agreement.

9 (5) The homesteader takes the property in an "as is"  
10 condition.

11 (6) The homesteader, from the time of the execution of  
12 the trust agreement, accepts responsibility for all known or  
13 unknown conditions, apparent and nonapparent, of the property  
14 that were created before the execution of the agreement or  
15 are in existence at the time of the execution of the  
16 agreement or are coming into or will come into existence  
17 either before, during or after the execution of the  
18 agreement.

19 (7) The homesteader shall not act as the agent of the  
20 trustee.

21 (8) The trustee does not assume any liability for the  
22 acts, or omissions to act, of the homesteader that result in  
23 injury or damage to other parties or their property.

24 (9) The homesteader shall carry insurance on the  
25 property as the board may require. As a minimum, the  
26 insurance shall be sufficient to pay off any loans taken in  
27 accordance with this act and reimburse the municipality for  
28 its costs in acquiring the property. The municipality and  
29 lending institutions, if applicable, shall be named as joint  
30 beneficiary with the homesteader of said policy.

1           (10) The homesteader, within 18 months after the  
2 municipality assigns the homesteader a dwelling, promises and  
3 covenants to bring the assigned dwelling up to housing and  
4 property maintenance code standards and maintain it at code  
5 standards throughout the homestead agreement.

6           (11) The homesteader promises and covenants to permit  
7 quarterly inspections, between the hours of 9 a.m. and 4  
8 p.m., or at a mutually agreed time, and at reasonable  
9 frequencies, by housing and property maintenance code  
10 enforcement personnel for the determination of the  
11 municipality that reasonable and satisfactory progress is  
12 being made by the homesteader in rehabilitating the dwelling  
13 assigned to him.

14          (12) The homesteader promises and covenants to occupy  
15 and live in the dwelling assigned to him for a period of not  
16 less than five years.

17          (13) The homesteader's personal property interest in the  
18 possession, management, control and operation of the dwelling  
19 may pass according to the rules applicable to personal  
20 property except that, before the personal property right  
21 passes, the municipality must approve the heir, assign or  
22 successor of the original homesteader. The heir, assign or  
23 successor of the homesteader, before any personal right vests  
24 in him, must meet the requirements of an applicant for the  
25 program and independently agree to be held responsible to the  
26 homesteading agreement. An attempt to pass the personal  
27 property right in any manner or to any degree without  
28 obtaining the required approval and making the required  
29 commitment is void, and the homesteader's personal property  
30 right is automatically extinguished. Approved transferees of

1 the original homesteader may deduct the original  
2 homesteader's residence time from the required five years.

3 (14) The homesteader recognizes and agrees that, if the  
4 homesteader, after occupying the dwelling, abandons the  
5 dwelling for a period of more than 60 days or the dwelling is  
6 abandoned 60 days without permission of the urban  
7 homesteading board, the homesteader's right to the  
8 possession, management, control and operation of the dwelling  
9 is automatically extinguished.

10 (15) The trustee, after the homesteader has fulfilled  
11 the conditions of the land trust agreement, will execute all  
12 documents necessary to convey a fee simple title to the  
13 homesteader.

14 (16) The board may allow for extenuating circumstances,  
15 including, but not limited to, serious illness of the  
16 homesteader.

17 (17) The homesteader shall elect the person to whom the  
18 property shall be transferred upon the death of the  
19 homesteader. This transfer shall be for a consideration of  
20 \$1.

21 Section 7. Homesteaded land free from liens.

22 During the period of a land trust agreement, the real  
23 property being homesteaded shall be free of all liens and  
24 encumbrances.

25 Section 8. Rehabilitation loans.

26 (a) Low-interest loans.--To assist local municipalities in  
27 the elimination of slums and blighted or deteriorated areas, in  
28 preventing the spread of slums, blight or deterioration and in  
29 providing maximum opportunity for redevelopment, rehabilitation  
30 and conservation of such areas by private enterprise, municipal

1 governing bodies are hereby authorized to obtain low-interest  
2 loans for the rehabilitation of properties designated as  
3 suitable for homesteading.

4 (b) Debt authorized.--The municipality may borrow up to  
5 \$300,000 or \$10 per capita, whichever is greater, without  
6 considering such debt within the statutory borrowing limitations  
7 prescribed in the act of July 12, 1972 (P.L.781, No.185), known  
8 as the Local Government Unit Debt Act.

9 (c) Financing of rehabilitation.--The municipal body  
10 administering this act is authorized, through the utilization of  
11 local public and private resources where feasible, to make  
12 financing available through the board, as herein provided, to  
13 the homesteaders to finance the rehabilitation of such property.  
14 No financing shall be made available under this section unless  
15 all of the following are met:

16 (1) Rehabilitation is required to make the property  
17 conform to applicable code requirements and to carry out the  
18 objectives of a homestead plan for the area.

19 (2) The applicant is unable to secure the necessary  
20 funds from other sources upon comparable terms and  
21 conditions.

22 (3) The resulting obligation is an acceptable risk  
23 taking into consideration the need for the rehabilitation,  
24 the security available for the debt and the ability of the  
25 applicant to repay the debt.

26 (4) The board has first caused to be prepared a full and  
27 complete list of all major code deficiencies and has caused  
28 bid specifications and cost estimates for the rectification  
29 of these deficiencies to be prepared. Based on those  
30 specifications, the board shall advertise for bids, either

1 individually or collectively with other homestead properties,  
2 all those deficiencies the homesteader indicates he cannot  
3 rectify by himself, and, if the homesteader agrees to the  
4 bid, to be responsible for the payments of the bid.

5 (5) The resulting bids received shall be from the lowest  
6 responsible bidder and acceptable to the homesteader.

7 (6) The board has caused to be created an inspection  
8 schedule to assure that specifications are being met and that  
9 the work is progressing at a sufficient rate to meet the  
10 schedule for code deficiency rectification provided under  
11 this act.

12 (7) A contractual agreement, between the board and the  
13 approved contractor, and acceptable to the homesteader,  
14 stipulating both a performance and payment schedule, as well  
15 as any other item determined necessary by the board, has been  
16 prepared. Such payments shall be made, or authorized, by the  
17 board according to the agreed-to schedule.

18 (d) Limitations.--Rehabilitation financing made under this  
19 section shall be subject to the following limitations:

20 (1) The debt shall be subject to such terms and  
21 conditions as may be prescribed by the municipal governing  
22 body.

23 (2) The term of the debt may not exceed 30 years or  
24 three-fourths of the remaining economic life of the structure  
25 after rehabilitation, whichever is less.

26 (3) The principal shall bear interest at such rate as  
27 determined by the administering agency, but in no case shall  
28 it exceed 0.5% per year the interest rate obtained by  
29 council, and the board may prescribe such other charges as it  
30 finds necessary, including service charges, and appraisal,

1 inspection and other fees.

2 (4) The amount of the debt may not exceed the amount of  
3 an obligation which would result in a monthly payment by the  
4 applicant of more than 25% of his average monthly income.

5 (e) First payment for occupancy not required.--In no case  
6 shall the homesteader's first payment on his financial  
7 obligation to the board be required prior to occupancy of the  
8 homestead property.

9 Section 9. Federal funding.

10 (a) Training.--Participants in the homesteading program  
11 shall, to the extent possible, take advantage of training  
12 programs funded in whole or in part through the Job Training  
13 Partnership Act (Public Law 97-300, 96 Stat. 1322).

14 (b) Loans.--Participants shall also take advantage of any  
15 grants or loans made available through the Federal Community  
16 Services Block Grant Act, and other sources, as administered by  
17 the department.

18 Section 10. Default procedures.

19 (a) Explanation of agreement.--Before the homesteader  
20 executes the land trust agreement, the board or its designee  
21 shall explain to the homesteader the conditions of the land  
22 trust agreement, his obligations thereunder, the appeal  
23 procedures under this act and the consequences of failure to  
24 comply with the conditions of the land trust agreement. After  
25 the board or its designee makes the explanation contained in  
26 this subsection and the homesteader understands the material  
27 explained, the homesteader shall sign a statement that the  
28 information contained in this subsection has been explained to  
29 him and that he understands it and agrees to be bound in  
30 accordance thereof. His signature shall constitute prima facie

1 evidence that he knowingly and understandingly executed the land  
2 trust agreement. Only clear and convincing evidence to the  
3 contrary may rebut this evidence.

4 (b) Noncompliance.--

5 (1) If a code official in a quarterly inspection  
6 determines that the homesteader has not or is not complying  
7 with the conditions of the land trust agreement, he shall  
8 give the homesteader an oral warning that he is in default of  
9 the land trust agreement. Within seven days from the date of  
10 the oral warning, the code official shall send a written  
11 warning to the homesteader. The warning shall contain the  
12 information that the homesteader is in default and specify,  
13 with reasonable particularity, what the homesteader must do  
14 to bring the parcel into compliance with the land trust  
15 agreement. The code official shall also give the homesteader  
16 not less than 30 nor more than 60 days from the date of the  
17 mailing of the written warning to bring the parcel into  
18 compliance with the land trust agreement. The code official  
19 shall send a copy of the written warning to the board and  
20 maintain at least one copy of the warning with the code  
21 enforcement bureau. At the expiration of the time period  
22 indicated in the written warning notice, the code official  
23 shall again inspect the parcel to verify the homesteader's  
24 compliance with the warning and land trust agreement.

25 (2) If the code official determines that the homesteader  
26 has complied with or substantially complied with the warning  
27 notice and brought the parcel up to the agreed-upon standard,  
28 then he shall so inform the homesteader and file a written  
29 report of the compliance in the code enforcement office and  
30 with the board and shall send a copy of same to the



1 homesteader.

2 (3) If the code official determines that the homesteader  
3 has not complied with or has not substantially complied with  
4 the warning notice and has not brought the parcel up to the  
5 agreed-upon standard, he shall file a written report with the  
6 board. Such report shall specify with reasonable  
7 particularity the facts upon which the code official based  
8 his decision of noncompliance and shall be delivered to the  
9 homesteader at the same time it is filed with the board.

10 (c) Formal hearing.--

11 (1) Within ten days of the receipt of the code  
12 official's report of noncompliance, the board shall schedule  
13 a hearing and appoint no less than three members from the  
14 board to determine whether the urban homesteader has breached  
15 the land trust agreement and extinguished his personal  
16 property right under the agreement. The decision of the board  
17 members so appointed shall have the full force and effect of  
18 a decision by the entire membership of the board. Within  
19 three days after the scheduling of the hearing, the board  
20 shall cause personal service of a hearing notice to be made  
21 either on the homesteader or someone capable of accepting  
22 service on his behalf, ordering him to appear before the  
23 board and show cause why the board should not declare him in  
24 breach of the agreement and extinguish his personal property  
25 right in the land trust agreement. The hearing notice shall  
26 notify the homesteader of his right to be represented by  
27 counsel and, if indigent, his right to have counsel appointed  
28 on his behalf.

29 (2) If the board decides that the homesteader has  
30 fulfilled his responsibilities under the land trust

1 agreement, it shall so note and provide copies of its  
2 decision to the urban homesteader and the code enforcement  
3 agency.

4 (3) If the board decides that the homesteader has not  
5 fulfilled his responsibilities under the land trust  
6 agreement, the board may:

7 (i) declare him in breach of the land trust  
8 agreement and issue a final decision to extinguish his  
9 personal property right in the land trust agreement and  
10 shall so inform the homesteader; or

11 (ii) issue an interim order which grants the  
12 homesteader not less than 30 nor more than 60 days from  
13 the interim order to bring the parcel into compliance  
14 with the land trust agreement.

15 (4) If the board has issued an interim order pursuant to  
16 paragraph (3)(ii), the code official shall file a  
17 reinspection report with the board within three days of the  
18 expiration of the period granted for compliance pursuant to  
19 the interim order. If the code official determines that the  
20 homesteader has complied with or substantially complied with  
21 the interim order and brought the parcel up to the agreed-  
22 upon standard, then he shall file with the board a written  
23 report so stating and terminating the land trust agreement  
24 breach declaration procedure. If the code official determines  
25 that the homesteader has not complied with the interim order,  
26 he shall file a written report with the board so stating. The  
27 code official shall provide the homesteader with a copy of  
28 all reports filed with the board pursuant to this section.

29 (5) Upon receipt of the code official's report of the  
30 homesteader's noncompliance with the board's interim order,

1 the board may proceed as set forth in paragraph (3)(i).

2 (d) Decision and appeal.--

3 (1) After a final decision by the board that the  
4 homesteader is in violation of his land trust agreement, the  
5 homesteader shall have 14 business days to file an appeal  
6 from that decision with the court of common pleas of the  
7 county.

8 (2) If within the 14 days the homesteader does not  
9 appeal to the court of common pleas, the board shall record  
10 its final determination extinguishing the homesteader's  
11 personal property interest under the land trust agreement.  
12 The board shall, the date it records its final decision, send  
13 a copy of the final judgment to the homesteader and notice  
14 that, if within 21 days he does not vacate the premises, the  
15 board will initiate summary ejectment procedures against him.  
16 If within the 21 days the homesteader does not vacate the  
17 premises, the board shall initiate summary ejectment  
18 proceedings against him.

19 (3) In case of an appeal to the court of common pleas,  
20 the homesteader shall have the right to counsel and, if the  
21 homesteader is indigent, counsel will be appointed in his  
22 behalf. The court shall hear the homesteader's appeal within  
23 30 days from the date he files it with the court. If the  
24 court decides that the homesteader has not fulfilled his  
25 responsibilities under the land trust agreement, it shall  
26 affirm the decision of the board and cause copies of its  
27 decision to be provided to the urban homesteader, the code  
28 enforcement agency and the board. The decision of the court  
29 shall be final. The board, on the date it receives the court  
30 decision, shall send a copy to the homesteader together with

notice that, if within 21 days he does not vacate the premises, the board will initiate summary ejectment procedures against him. If the homesteader does not vacate the premises within 21 days after the court enters judgment, the board shall initiate summary ejectment proceedings against him.

Section 11. Code enforcement.

(a) Housing and property maintenance code requirement.--The municipality or municipalities in which urban homesteading is to be initiated by an acquiring agency under this act shall have a housing and property maintenance code which establishes standards for the protection of the public's health, safety and welfare.

(b) Provisions of code.--The housing and property maintenance code shall establish standards for basic equipment and facilities, for light, ventilation and heating, for space, use and location, and for safe and sanitary maintenance of all dwellings now in existence or thereafter constructed. As minimum requirements, the housing and property maintenance code shall provide that:

(1) Dangerous walls shall be replaced or repaired. This includes the replacement of defective wood lintels and defective wood sills.

(2) The property shall be weatherproofed by replacing or repairing any defective siding, shingles or other defects in exterior walls.

(3) Gutters and downspouts shall be repaired or replaced if they cause the entry of water into the property or onto adjacent property or cause any public nuisances.

(4) Porches or access stairways (inside or outside the

1 structure) shall be made safe for use. Defective porches or  
2 access stairways must be repaired or replaced.

3 (5) Missing and dangerously defective individual steps  
4 shall be replaced or repaired.

5 (6) Chimneys shall be properly lined and repaired to  
6 service the connected facilities.

7 (7) Roofs shall be leakproof.

8 (8) Window frames and doors shall fit properly and be  
9 operable.

10 (9) The electric service shall be adequate for the type  
11 of structure and in a safe and operable condition.

12 (10) Every single-family residence shall have a complete  
13 bath consisting of a tub, a toilet and a basin. Each kitchen  
14 shall have a sink.

15 (11) Water pipes, drainpipes and soilpipes shall be  
16 operable and capable of providing the intended service.

17 (12) Each dwelling shall have a water heater in operable  
18 condition.

19 (13) Every dwelling unit shall have a room or space for  
20 the preparation and cooking of food, including space and  
21 connections for a stove or other cooking facilities. Adequate  
22 electric service must be provided for connecting electric  
23 refrigerators and other electrical kitchen appliances.

24 (14) Rotted and defective load carrying members shall be  
25 replaced or repaired.

26 (15) Termite infested wood members shall be properly  
27 treated or replaced.

28 (16) Rodent and vermin infestation shall be eliminated  
29 and rat-proofing shall be performed, if necessary.

30 (17) Every dwelling shall contain heating facilities,

1 properly designed and installed, in good and safe working  
2 condition, capable of heating those rooms and areas to be  
3 inhabited. Systems must be operated to prevent freezing of  
4 pipes and plumbing.

5 (18) Habitable rooms shall contain a window opening  
6 directly to the outside.

7 (19) The premises shall be maintained in a clean and  
8 sanitary condition at all times. Refuse should be placed in  
9 proper receptacles for collection.

10 (c) Administration and enforcement.--The housing and  
11 property maintenance code shall also:

12 (1) Establish the responsibilities of owners, operators  
13 and occupants of dwellings, including multifamily dwellings.

14 (2) Provide procedures for the administration and  
15 enforcement of the housing and property maintenance code,  
16 either by the municipality directly or by contractual  
17 arrangements with a county, regional or intergovernmental  
18 code enforcement bureau, including penalties for violations.

19 (d) Adoption of other codes.--A municipality may adopt by  
20 reference a county housing and property maintenance code which  
21 meets the aforementioned minimum standards and which may be or  
22 is in existence at the time the municipality enters into a local  
23 homesteading program as provided for in this act.

24 (e) Review of code.--The housing and property maintenance  
25 code shall be reviewed every 24 months and shall be in effect at  
26 the time the acquiring agency, municipality or municipalities  
27 exercise any provisions of this act.

28 (f) Condemnation.--Any property which has been cited by a  
29 municipality as being substandard and unfit for human habitation  
30 under provisions of a housing and property maintenance code may

1 be subject to condemnation by that municipality or by an  
2 acquiring agency designated by the municipality under the  
3 following conditions:

4 (1) A preliminary notice outlining the housing and  
5 property maintenance code violations shall be sent by  
6 registered mail to the owner or owners of any property found  
7 to be unfit for human habitation.

8 (2) If within 30 days the owner or owners make no  
9 attempt to correct the violations and bring the property into  
10 code compliance or contact the municipality regarding their  
11 intentions to do so, a second and final notice shall be  
12 forwarded by registered mail to the owner or owners giving  
13 them 120 days from the date of the final notice to bring the  
14 property into code compliance or, in the case of a hardship,  
15 to notify the municipality of same.

16 (3) If, after 120 days of receipt of the final notice,  
17 the property owner or owners have not brought the property  
18 into code compliance, the property may be subject to  
19 condemnation as provided for in this act either by the  
20 municipality or by an acquiring agency designated by the  
21 municipality.

22 (4) If the municipality or designated agency determines  
23 that the property which is unfit for human habitation has not  
24 been brought into code compliance under provisions of the  
25 municipality's housing and property maintenance code after  
26 150 days, and after proper notification as provided for in  
27 this act, and if the municipality determines that the  
28 property would be suitable for urban homesteading as set  
29 forth in this act, either through rehabilitation and resale  
30 of the home or building or through demolition and resale of

1 the land, the municipality or the acquiring agency may  
2 proceed to acquire the property under the act of June 22,  
3 1964 (Sp.Sess., P.L.84, No.6), known as the Eminent Domain  
4 Code.

5 Section 12. Eminent domain.

6 The act of June 22, 1964 (Sp.Sess., P.L.84, No.6), known as  
7 the Eminent Domain Code, shall be applicable to acquisitions of  
8 property by municipalities for urban homesteading under this  
9 act.

10 Section 13. Assessments.

11 ~~(a) Schedule. Notwithstanding the provision of any other~~ <—  
12 ~~law, the proper authorities may change the assessed valuation of~~  
13 ~~real property when a property is being rehabilitated as a~~  
14 ~~homestead property. In such case, the homestead property shall~~  
15 ~~be assessed for taxing purposes, beginning in the third year of~~  
16 ~~the land trust agreement, at 35% of market value for the third~~  
17 ~~year, 70% of market value for the fourth year and 100% of market~~  
18 ~~value during the fifth year.~~

19 ~~(b) Notice of sale. Whenever a property is sold under this~~  
20 ~~act as a homestead property, a notice listing the address of the~~  
21 ~~property and the individual or individuals to whom the property~~  
22 ~~is to be sold shall be forwarded to the office of the chief~~  
23 ~~assessor of the county in which the property is located. In~~  
24 ~~addition, the tax on the property shall be computed at the end~~  
25 ~~of the third year and each year thereafter on the following~~  
26 ~~basis:~~

27	Year 3	35% of assessed value
28	Year 4	70% of assessed value
29	Year 5	100% of assessed value

30 (A) CHANGE IN ASSESSED VALUATION.--NOTWITHSTANDING THE <—



1 PROVISION OF ANY OTHER LAW, THE PROPER AUTHORITIES MAY CHANGE  
2 THE ASSESSED VALUATION OF REAL PROPERTY WHEN A PROPERTY IS BEING  
3 REHABILITATED AS A HOMESTEAD PROPERTY. IN SUCH CASE, THE  
4 HOMESTEAD PROPERTY WILL BE ASSESSED FOR TAXING PURPOSES AT 20%  
5 OF ASSESSED VALUE THE SECOND YEAR AND AT 40%, 60%, 80% AND 100%  
6 DURING THE SUCCESSIVE FOUR YEARS, RESPECTIVELY.

7 (B) NOTICE OF SALE.--WHENEVER A PROPERTY IS SOLD UNDER THE  
8 PROVISIONS AS OUTLINED IN THIS ACT AS A HOMESTEAD PROPERTY, A  
9 NOTICE LISTING THE ADDRESS OF THE PROPERTY AND THE INDIVIDUAL OR  
10 INDIVIDUALS TO WHOM THE PROPERTY IS TO BE SOLD SHALL BE  
11 FORWARDED TO THE OFFICE OF THE CHIEF ASSESSOR OF THE COUNTY IN  
12 WHICH THE PROPERTY IS LOCATED. IN ADDITION, THE TAX ON SAID  
13 PROPERTY SHALL BE COMPUTED AT THE END OF EACH YEAR ON THE  
14 FOLLOWING BASIS:

15	(1)	YEAR 2	20% OF ASSESSED VALUE
16	(2)	YEAR 3	40% OF ASSESSED VALUE
17	(3)	YEAR 4	60% OF ASSESSED VALUE
18	(4)	YEAR 5	80% OF ASSESSED VALUE
19	(5)	YEAR 6	100% OF ASSESSED VALUE

20 (c) Construction of section.--This section shall not alter  
21 or affect the ratio to market value in effect in any one county  
22 but merely changes the base proportionately as the property is  
23 rehabilitated, at which time the property is taxed on full  
24 market value. All homestead properties shall be assessed prior  
25 to the initial sale and then in the third year of ownership and  
26 again before title passes following the fifth year of occupancy.

27 (d) Waiver of delinquent taxes.--At the request of any  
28 municipality engaged in a homesteading program, any other taxing  
29 bodies shall have the option of waiving any and all delinquent  
30 taxes for the express purpose of homesteading the parcel in

1 question for the five-year period as provided for in this act.

2 Section 14. Severability.

3 The provisions of this act are severable. If any provision of  
4 this act or its application to any person or circumstance is  
5 held invalid, the invalidity shall not affect other provisions  
6 or applications of this act which can be given effect without  
7 the invalid provision or application.

8 Section 15. Effective date.

9 This act shall take effect in 60 days.