

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2445 Session of  
2008

INTRODUCED BY EACHUS, KORTZ, ARGALL, GOODMAN, WHEATLEY, DeLUCA, COHEN, McCALL, MUNDY, PARKER, FABRIZIO, SOLOBAY, HARHAI, GRELL, KULA, MANN, READSHAW, PRESTON, PASHINSKI, M. O'BRIEN, MOYER, J. WHITE, YUDICHAK, WALKO, SAYLOR, HESS, MAHONEY, McILHATTAN, CARROLL, HENNESSEY, McGEEHAN, SANTONI, STURLA, J. TAYLOR, BUXTON, SWANGER, BEYER, MELIO, BOYD, FRANKEL, McILVAINE SMITH, HALUSKA, BELFANTI, CONKLIN, DALEY, GEIST, HUTCHINSON, K. SMITH, GINGRICH, BENNINGHOFF, FREEMAN, HARKINS, HORNAMAN, JAMES, JOSEPHS, KOTIK, LEACH, MICOZZIE, WANSACZ, YOUNGBLOOD, GRUCELA, CAPPELLI, GIBBONS, BENNINGTON, SAINATO, WAGNER, CASORIO, R. MILLER, WOJNAROSKI AND BROOKS, APRIL 15, 2008

REFERRED TO COMMITTEE ON LABOR RELATIONS, APRIL 15, 2008

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania  
2 Consolidated Statutes, providing for neighborhood blight  
3 reclamation and revitalization.

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

6 Section 1. Title 53 of the Pennsylvania Consolidated  
7 Statutes is amended by adding a chapter to read:

8 CHAPTER 61

9 NEIGHBORHOOD BLIGHT RECLAMATION AND REVITALIZATION

10 Subchapter

11 A. Preliminary Provisions

12 B. Actions Against Owner of Blighted Property

13 C. Responsibilities of Mortgage Lenders

- 1 D. Conservatorship
- 2 E. State and Local Government Permit Denials
- 3 F. State Blight Data Collection System
- 4 G. Grants
- 5 H. Sale of Blighted and Abandoned Properties
- 6 I. Miscellaneous Provisions

7 SUBCHAPTER A

8 PRELIMINARY PROVISIONS

9 Sec.

10 6101. Short title of chapter.

11 6102. Legislative findings and declaration of policy.

12 6103. Definitions.

13 § 6101. Short title of chapter.

14 This chapter shall be known and may be cited as the  
15 Neighborhood Blight Reclamation and Revitalization Act.

16 § 6102. Legislative findings and declaration of policy.

17 The General Assembly finds and declares as follows:

18 (1) It is the intent of the General Assembly to  
19 eliminate neighborhood blight caused by property owners who  
20 fail to maintain their property or to comply with municipal  
21 property maintenance codes. The General Assembly declares  
22 that it is in the best interest of the Commonwealth, its  
23 citizens and its municipalities to establish a process as set  
24 forth under this chapter to effectively deal with blighted  
25 and abandoned properties in order to bring the properties up  
26 to code standards, acquire and demolish them or, where cost-  
27 effective and structurally sound, rehabilitate them and  
28 return them to productive use. This includes constructing new  
29 housing on sites that formerly contained blighted properties  
30 and rehabilitating blighted buildings which have been

1 determined to be structurally sound and capable of being  
2 rehabilitated.

3 (2) Pennsylvania's communities are important to this  
4 Commonwealth's economic health and provide a focal point for  
5 businesses and services. They also contribute to this  
6 Commonwealth's quality of life with their rich histories,  
7 culture, heritage and diversity, along with their parks,  
8 recreational attributes and historic buildings and  
9 architecture. Many of these communities, however, are  
10 presently being negatively affected by blighted properties  
11 that either are in use in spite of their deteriorated state  
12 or have been abandoned.

13 (3) Citizens of this Commonwealth living in its  
14 communities are adversely affected by abandoned and blighted  
15 residential, commercial and industrial properties, especially  
16 individuals living or owning property in close proximity to  
17 unsafe, substandard and deteriorated buildings.

18 (4) Substandard, deteriorating and abandoned  
19 residential, commercial and industrial structures are not  
20 only a public safety threat and nuisance, their blighted  
21 condition diminishes property values in the communities in  
22 which these properties are located. Nearby property owners  
23 lose equity in their properties, and municipalities lose  
24 desperately needed property tax revenues for municipal  
25 services as a result of lower assessed property values which  
26 result from the presence of blighted and abandoned buildings.

27 (5) Blighted properties presently sold at tax sales most  
28 times remain blighted. When these blighted properties are not  
29 rehabilitated or demolished immediately, they further  
30 deteriorate, resulting in increased costs to the Commonwealth

1 and its municipalities to secure and demolish them.

2 (6) Providing a legislative mechanism to transform  
3 abandoned and blighted properties into productive reuse  
4 provides an opportunity for communities in Pennsylvania to be  
5 revitalized while improving the quality of life for  
6 individuals who live there. This revitalization includes  
7 clearing sites of blighted properties and replacing them with  
8 new housing, as well as rehabilitating structurally sound  
9 blighted properties.

10 § 6103. Definitions.

11 The following words and phrases when used in this chapter  
12 shall have the meanings given to them in this section unless the  
13 context clearly indicates otherwise:

14 "Abandoned property." A property on which there is a  
15 building that has not been legally occupied for at least the  
16 previous 12 months and is a blighted property.

17 "Blighted property." Any of the following:

18 (1) Premises which, because of physical condition or  
19 use, are regarded as a public nuisance at common law or have  
20 been declared a public nuisance in accordance with the local  
21 housing, building, plumbing, fire and related codes and  
22 ordinances, including nuisance and dangerous building  
23 ordinances.

24 (2) Premises which, because of physical condition, use  
25 or occupancy, are considered an attractive nuisance to  
26 children, including, but not limited to, abandoned wells,  
27 shafts, basements, excavations and unsafe fences or  
28 structures.

29 (3) A dwelling which, because it is dilapidated,  
30 unsanitary, unsafe, vermin-infested or lacking in the

1 facilities and equipment required under the housing code of  
2 the municipality, has been designated by the municipal  
3 department responsible for enforcement of the code as unfit  
4 for human habitation.

5 (4) A structure which is a fire hazard or is otherwise  
6 dangerous to the safety of persons or property.

7 (5) A structure from which the utilities, plumbing,  
8 heating, water, sewage or other facilities have been  
9 disconnected, destroyed, removed or rendered ineffective so  
10 that the property is unfit for its intended use.

11 (6) A vacant or unimproved lot or parcel of ground in a  
12 predominantly built-up neighborhood which, by reason of  
13 neglect or lack of maintenance, has become a place for  
14 accumulation of trash and debris or a haven for rodents or  
15 other vermin.

16 (7) An unoccupied property which has been tax delinquent  
17 for a period of two years.

18 (8) A property which is vacant but not tax delinquent  
19 and which has not been rehabilitated within one year of the  
20 receipt of notice to rehabilitate from the appropriate code  
21 enforcement agency.

22 "Building." A residential, commercial or industrial building  
23 or structure and the land appurtenant to it.

24 "Code." A building, housing, property maintenance, fire,  
25 health or other public safety ordinance enacted by a  
26 municipality.

27 "Commonwealth agency." The Governor, departments, boards,  
28 agencies, commissions, authorities and other officers of the  
29 Commonwealth, including those subject to the policy supervision  
30 and control of the Governor. The term does not include any court

1 or other officer or agency of the unified judicial system or the  
2 General Assembly or any of its officers and agencies.

3 "Competent entity." A person or entity, including a  
4 governmental unit, with experience in the rehabilitation of  
5 residential, commercial or industrial buildings and the ability  
6 to provide or obtain the necessary financing for such  
7 rehabilitation.

8 "Consumer." A person who is a named insured, insured or  
9 beneficiary of a policy of insurance or any other person who may  
10 be affected by the Insurance Department's exercise of or the  
11 failure to exercise its authority.

12 "Cost of rehabilitation." Costs and expenses for  
13 construction, stabilization, rehabilitation, demolition and  
14 reasonable nonconstruction costs associated with any of these  
15 projects, including, but not limited to, environmental  
16 remediation, architectural, engineering and legal fees, permits,  
17 financing fees and a developer's fee consistent with the  
18 standards for developer's fees established by the Pennsylvania  
19 Housing Finance Agency.

20 "Court." The appropriate court of common pleas.

21 "Department." The Department of Community and Economic  
22 Development of the Commonwealth.

23 "Electronically." Utilizing procedures promulgated by the  
24 Department of Community and Economic Development to file forms  
25 and obtain information electronically, provided the information  
26 is available to the requester under the act of June 21, 1957  
27 (P.L.390, No.212), referred to as the Right-to-Know Law.

28 "Insurer," "company," "association" or "exchange." As these  
29 terms are defined in section 101 of the act of May 17, 1921  
30 (P.L.682, No.284), known as The Insurance Company Law of 1921,

1 or any entity subject to Article XXIV of The Insurance Company  
2 Law of 1921, the act of December 29, 1972 (P.L.1701, No.364),  
3 known as the Health Maintenance Organization Act, or 40 Pa.C.S.  
4 Ch. 61 (relating to hospital plan corporations) or 63 (relating  
5 to professional health services plan corporations).

6 "License." A permit granted by the Commonwealth or one of  
7 its agencies which gives permission to the applicant to  
8 participate in a certain activity or exercise a certain  
9 privilege.

10 "Licensing" or "certification." The issuance of a license or  
11 the formal assertion in writing of some fact or qualification  
12 from the Commonwealth or one of its agencies.

13 "Municipality." A city, borough, incorporated town, township  
14 or home rule, optional plan or optional charter municipality or  
15 municipal authority in this Commonwealth. The term also includes  
16 any other governmental entity charged with enforcement of  
17 municipal housing, building, plumbing, fire and related codes  
18 and specifically includes a neighborhood improvement district  
19 and nonprofit corporation created under the act of December 20,  
20 2000 (P.L.949, No.130), known as the Neighborhood Improvement  
21 District Act.

22 "Municipal permits." Privileges relating to real property  
23 granted by a municipality, including, but not limited to,  
24 building permits, exceptions to zoning ordinances and occupancy  
25 permits.

26 "Nonprofit corporation." A nonprofit corporation that has,  
27 as one of its purposes, community development activities,  
28 including economic development or the promotion or enhancement  
29 of affordable housing opportunities.

30 "Owner." The holder or holders of the title to or of a legal

1 or equitable interest in residential, commercial or industrial  
2 real estate. The term includes, but is not limited to, heirs,  
3 assigns, trustees, beneficiaries and lessees, provided this  
4 ownership interest is a matter of public record.

5 "Party in interest." Any person or entity who has a direct  
6 and immediate interest in residential, commercial or industrial  
7 real estate, including:

8 (1) The owner or owners.

9 (2) Any lienholder and other secured creditors of the  
10 owner.

11 (3) A person who resides or owns a business which is  
12 located within 500 feet of the real estate.

13 (4) A nonprofit corporation carrying out community  
14 development activities within the municipality where the  
15 building is located, including, but not limited to, a  
16 redevelopment authority.

17 (5) A municipality in which the real estate is located.

18 "Property maintenance code." A municipal ordinance which  
19 regulates the maintenance or development of real property. The  
20 term includes, but is not limited to, building codes, housing  
21 codes and public safety codes.

22 "Property maintenance code violation." A violation of a  
23 municipal property maintenance code.

24 "Public nuisance." Property which, because of its physical  
25 condition or use, is regarded as a public nuisance at common law  
26 or has been declared a public nuisance in accordance with the  
27 local housing, building, health, fire or related code.

28 "Registry." The Property Maintenance Code Violations  
29 Registry established under this chapter.

30 "Residential building." A building or structure containing

1 one or more dwelling units and the land appurtenant to it.

2 "Serious violation." A violation of a housing, building,  
3 property maintenance or fire safety code that poses an immediate  
4 threat to the health and safety of a dwelling occupant,  
5 occupants in surrounding structures or passersby.

6 "Substantial step." An affirmative action on the part of a  
7 property owner or managing agent, as determined by the  
8 municipality, to remedy a violation of a housing, building,  
9 property maintenance or fire safety code, including, but not  
10 limited to, physical improvements or reparations to the  
11 property.

12 "Tax delinquent property." Tax delinquent real property as  
13 defined under the act of July 7, 1947 (P.L.1368, No.542), known  
14 as the Real Estate Tax Sale Law, located in any municipality in  
15 this Commonwealth.

16 SUBCHAPTER B

17 ACTIONS AGAINST OWNER OF BLIGHTED PROPERTY

18 Sec.

19 6111. Building, housing and health code violations.

20 6112. Actions.

21 6113. Asset attachment.

22 6114. Duty of out-of-State owners of real estate in this  
23 Commonwealth.

24 6115. Duty of corporate owners.

25 § 6111. Building, housing and health code violations.

26 (a) Cause of action.--Where a building, structure,  
27 landscaping or land is or is proposed to be erected,  
28 constructed, reconstructed, altered, converted, maintained or  
29 used in violation of any building, housing or health ordinance  
30 enacted pursuant to law by a municipality, the governing body of

1 the municipality or, with the approval of the governing body, an  
2 officer of the municipality, or an aggrieved owner or tenant of  
3 real property who shows that his property or person will be  
4 substantially affected by the alleged violation, in addition to  
5 other remedies, may institute an action or proceeding to  
6 prevent, restrain, correct or abate such building, structure,  
7 landscaping or land or to prevent, in or about such premises,  
8 any act, conduct, business or use constituting a violation. When  
9 any such action is instituted by a landowner or tenant, notice  
10 of the action shall be served upon the municipality at least 30  
11 days prior to the time the action is begun by serving a copy of  
12 the complaint on the governing body of the municipality. No such  
13 action may be maintained until such notice has been given.

14 (b) Jurisdiction.--Except as provided under 42 Pa.C.S. §  
15 1143(a)(3) (relating to jurisdiction and venue), magisterial  
16 district judges shall have jurisdiction of actions instituted  
17 pursuant to this section.

18 § 6112. Actions.

19 In addition to other remedies, a municipality may institute  
20 the following actions against the legal owner or owner of record  
21 of any building, housing or land in serious violation of an  
22 ordinance regarding a building or housing code:

23 (1) An in personam action may be initiated for a  
24 continuing violation for which the legal owner of record  
25 takes no substantial step to correct within 60 days following  
26 notification of any violation.

27 (2) An action against an owner of record shall be for an  
28 amount equal to any penalties imposed against the owner and  
29 for the amount expended by the municipality to abate the  
30 violation.



1 Sec.

2 6121. Business or commercial mortgages.

3 6122. Code compliance.

4 6123. Residential mortgages.

5 § 6121. Business or commercial mortgages.

6 This subchapter shall apply to mortgage loans made for  
7 residential, business or commercial purposes.

8 § 6122. Code compliance.

9 (a) Liability assumed.--Thirty days following the  
10 foreclosure of a building due to the owner of record's default  
11 on a mortgage loan, the mortgage lender or Federal insurer in  
12 possession of the building shall assume legal responsibility and  
13 liability as the owner of record for all exterior municipal  
14 housing, building and property maintenance code requirements  
15 representing the following:

16 (1) Serious violations.

17 (2) Violations which contribute to blight in a  
18 neighborhood due to their negative effect on the aesthetic  
19 appearance of the structure or the neighborhood.

20 (b) Time period.--The time period provided for under  
21 subsection (a) shall be extended to 120 days following the  
22 foreclosure of a property due to the owner of record's default  
23 on a mortgage loan in cases where the mortgage lender or Federal  
24 insurer has executed a contract to sell the property in  
25 question.

26 § 6123. Residential mortgages.

27 Entities that may grant or insure residential mortgages or  
28 participate in related activities for purposes of this  
29 subchapter shall include, but not be limited to, the following:

30 (1) A State-chartered bank, bank and trust company,

1 savings bank, private bank or national bank, a federally  
2 chartered or State-chartered savings and loan association, a  
3 federally chartered savings bank or a federally chartered or  
4 State-chartered credit union.

5 (2) An attorney authorized to practice law in this  
6 Commonwealth who acts as a mortgage broker in negotiating or  
7 placing a mortgage loan in the normal course of legal  
8 practice.

9 (3) A person licensed under the act of February 19, 1980  
10 (P.L.15, No.9), known as the Real Estate Licensing and  
11 Registration Act, who is principally engaged in a third-party  
12 real estate brokerage business, but only to the extent that  
13 the person provides information, verbal or written, to or  
14 negotiates or places a mortgage loan for a buyer of real  
15 estate and is not compensated by the buyer or any other  
16 person for providing such information or negotiating or  
17 placing such mortgage loan. If the person is compensated for  
18 providing the information or negotiating or placing a  
19 mortgage loan, the person shall be subject to sections 308,  
20 310, 311 and 314(b) of the act of December 22, 1989 (P.L.687,  
21 No.90), known as the Mortgage Bankers and Brokers and  
22 Consumer Equity Protection Act.

23 (4) A seller of a dwelling if the person has resided in  
24 the dwelling at least one year and as part of the purchase  
25 price receives a first mortgage executed by the purchaser.

26 (5) A person who either originates or negotiates fewer  
27 than 12 mortgage loans in a calendar year in this  
28 Commonwealth.

29 (6) Builders, when obtaining mortgages for their own  
30 construction or for the sale of their own construction.

1           (7) An agency or instrumentality of the Federal  
2 Government or a corporation otherwise created by an act of  
3 Congress, including, but not limited to, the Federal National  
4 Mortgage Association, the Department of Veterans Affairs, the  
5 Federal Home Loan Mortgage Corporation and the Federal  
6 Housing Administration.

7           (8) The Pennsylvania Housing Finance Agency.

8           (9) A licensee under the act of April 8, 1937 (P.L.262,  
9 No.66), known as the Consumer Discount Company Act, except  
10 that a licensee who makes a mortgage loan other than under  
11 the provisions of the Consumer Discount Company Act shall be  
12 subject to the provisions of sections 304(b)(2) and (3), 308,  
13 310 and 314(b) of the Mortgage Bankers and Brokers and  
14 Consumer Equity Protection Act, excluding section 308(a)(1).

15           (10) Except for a licensee described under paragraph  
16 (9), a subsidiary or affiliate of the following institutions:

17           (i) State-chartered banks, bank and trust companies,  
18 savings banks, private banks, savings and loan  
19 associations and credit unions.

20           (ii) National banks.

21           (iii) Federally chartered savings and loans  
22 associations.

23           (iv) Federally chartered savings banks.

24           (v) Federally chartered credit unions.

25 A subsidiary or affiliate set forth under this paragraph  
26 shall be subject to the provisions of sections 308,  
27 309(a)(3), 310 and 314(b) of the Mortgage Bankers and Brokers  
28 and Consumer Equity Protection Act, excluding section  
29 308(a)(1), and shall deliver annually to the Department of  
30 Banking copies of financial reports made to all supervisory

1 agencies.

2 (11) An employee of a licensee or a person designated to  
3 act on behalf of his employer.

4 (12) An insurance company, association or exchange  
5 authorized to transact business in this Commonwealth under  
6 the act of May 17, 1921 (P.L.682, No.284), known as The  
7 Insurance Company Law of 1921, and any subsidiaries and  
8 affiliates thereof. A subsidiary or affiliate shall:

9 (i) be subject to the provisions of sections 308,  
10 309(a)(3), 310 and 314(b) of the Mortgage Bankers and  
11 Brokers and Consumer Equity Protection Act, excluding  
12 section 308(a)(1); and

13 (ii) deliver annually to the Insurance Department  
14 copies of financial reports made to all supervisory  
15 agencies.

16 SUBCHAPTER D

17 CONSERVATORSHIP

18 Sec.

19 6131. Initiation of action.

20 6132. Appointment of conservator.

21 6133. Powers and duties of conservator.

22 6134. Ownership of property.

23 6135. Incurring indebtedness.

24 6136. Sale of property.

25 6137. Termination of conservatorship.

26 § 6131. Initiation of action.

27 (a) Filing of petition.--A petition for the appointment of a  
28 conservator to take possession and to undertake the  
29 rehabilitation of a building may be filed by a party in interest  
30 in a court in the county in which the building is located.

1 (b) Contents.--The petition submitted to the court shall  
2 include a concise statement of the reasons a conservator should  
3 be appointed and, to the extent available to the petitioner:

4 (1) A copy of any citation charging the owner with being  
5 in violation of municipal code requirements or declaring the  
6 building to be a public nuisance.

7 (2) A recommendation as to which person or entity should  
8 be appointed conservator.

9 (3) A preliminary plan with initial cost estimates for  
10 rehabilitation of the building to bring it into compliance  
11 with all municipal codes and duly adopted plans for the area  
12 in which the building is located and anticipated funding  
13 sources.

14 (c) Notification of owner and lienholders.--

15 (1) Upon filing the petition with the court, the  
16 petitioner shall notify the current owner of the property and  
17 all lienholders of the filing by registered or certified mail  
18 to the last known address of each and by posting a copy of  
19 the notice on the building.

20 (2) In the event the registered or certified mail is  
21 returned with notation by the postal authorities that the  
22 recipient refused to accept the mail, the petitioner may mail  
23 a copy to the recipient at the same address by ordinary mail  
24 with the return address of the petitioner appearing thereon.

25 (3) Service by ordinary mail shall be presumed complete  
26 if the mail is not returned to the petitioner within 15 days  
27 after mailing.

28 (4) In the event the registered or certified mail is  
29 returned with the notation by the postal authorities that it  
30 was unclaimed, the notice shall be personally served.

1           (5) In the event that the personal service is not able  
2           to be made after two such attempts, the petitioner shall mail  
3           the petition to the recipient at the same address by ordinary  
4           mail with the return address of the petitioner appearing  
5           thereon with service by ordinary mail deemed complete if the  
6           mail is not returned to the petitioner within 15 days after  
7           the mailing.

8           (6) The petitioner shall also notify the owner and each  
9           lienholder of the hearing date and provide notice that the  
10          owner and lienholders may petition to intervene in the  
11          action.

12   § 6132. Appointment of conservator.

13          (a) General rule.--The court shall act upon a petition  
14          submitted by holding a hearing within 90 days of receipt of the  
15          petition and rendering a decision no later than 30 days after  
16          completion of the hearing.

17          (b) Intervention.--Subject to the court's discretion, a  
18          party in interest may intervene in the proceeding and be heard  
19          with respect to the petition, the requested relief or any other  
20          matter which may come before the court in connection with the  
21          proceeding.

22          (c) Hearing.--At the hearing, any party in interest shall be  
23          permitted to present evidence to support or contest the  
24          petition.

25          (d) Conditions for conservatorship.--If a petition is filed  
26          under section 6131 (relating to initiation of action), the court  
27          may appoint a conservator if the building has not been legally  
28          occupied for at least the previous 12 months and has not been  
29          actively marketed during the 60 days prior to the date of the  
30          petition and the court finds at least two of the following:

1           (1) The building or physical structure is a public  
2 nuisance.

3           (2) The building is in need of substantial  
4 rehabilitation and no rehabilitation has taken place during  
5 the previous 12 months.

6           (3) The building is unfit for human habitation,  
7 occupancy or use.

8           (4) The condition and vacancy of the building materially  
9 increases the risk of fire to the building and to adjacent  
10 properties.

11           (5) The building is subject to unauthorized entry  
12 leading to potential health and safety hazards and:

13               (i) the owner has failed to take reasonable and  
14 necessary measures to secure the building; or

15               (ii) the municipality has secured the building in  
16 order to prevent such hazards after the owner has failed  
17 to do so.

18           (6) The property is an attractive nuisance to children,  
19 including, but not limited to, the presence of abandoned  
20 wells, shafts, basements, excavations and unsafe structures.

21           (7) The presence of vermin or the accumulation of  
22 debris, uncut vegetation or physical deterioration of the  
23 structure or grounds has created potential health and safety  
24 hazards and the owner has failed to take reasonable and  
25 necessary measures to remove the hazards.

26           (8) The dilapidated appearance or other condition of the  
27 building negatively affects the economic well-being of  
28 residents and businesses in close proximity to the building,  
29 including decreases in property value and loss of business,  
30 and the owner has failed to take reasonable and necessary

1 measures to remedy appearance or the condition.

2 (e) Appointment.--

3 (1) If the court determines after a hearing that the  
4 property has met the conditions of subsection (d), the court  
5 may appoint a conservator and grant such other relief as may  
6 be just and appropriate.

7 (2) The court may appoint a nonprofit corporation or  
8 other competent entity. In appointing a conservator, the  
9 court shall consider any recommendations contained in the  
10 petition or otherwise presented by a party in interest.

11 (f) Conditional relief.--

12 (1) If the court finds after a hearing that the  
13 conditions for conservatorship set forth under subsection (d)  
14 have been established, but the owner represents that the  
15 violations or nuisance or emergency condition will be abated  
16 in a reasonable period, the court may allow the owner to  
17 proceed to remedy the conditions.

18 (2) If the conditions set forth under paragraph (1) have  
19 been satisfied, the court shall enter an order providing  
20 that, in the event that the violations or nuisance or  
21 emergency conditions are not abated by the owner by a  
22 specific date or that other specified remedial activities  
23 have not occurred by a specific date or dates, an order  
24 granting the relief requested in the petition shall be  
25 entered.

26 (3) The court may also require the owner to post a bond  
27 in the amount of the repair costs estimated in the petition  
28 as a condition to retaining possession of the building.

29 (g) Hearing on conservator's final plan for abatement.--At  
30 the time the court appoints a conservator, the court shall set a

1 date for a hearing on the conservator's final plan for abatement  
2 to be held within 120 days.

3 (h) Conservator's lien.--The conservator shall file a lien  
4 against the property in an amount based on the estimated costs  
5 to be incurred during the conservatorship. The lien amount may  
6 be adjusted from time to time.

7 (i) Immediate possession.--The conservator shall promptly  
8 take possession of the building and other property subject to  
9 the conservatorship and shall immediately be authorized to  
10 exercise all powers of this act.

11 (j) Removal by court.--A conservator may be removed by the  
12 court at any time upon the request of the conservator or upon a  
13 showing by a party to the action that the conservator is not  
14 carrying out its responsibilities under this chapter.

15 § 6133. Powers and duties of conservator.

16 (a) Full powers and duties.--The conservator shall have all  
17 powers and duties necessary or desirable, from time to time, for  
18 the efficient operation, management and improvement of the  
19 building in order to bring it into compliance with all municipal  
20 building and housing code requirements and to fulfill the  
21 conservator's responsibilities under this chapter. Such powers  
22 and duties shall include, but not be limited to, the power to:

23 (1) Take possession and control of the building,  
24 appurtenant land and any personal property of the owner used  
25 with respect to the building, including any bank or operating  
26 account for the building.

27 (2) Collect outstanding accounts receivable.

28 (3) Pursue all claims or causes of action of the owner  
29 with respect to the building and all other property subject  
30 to the conservator.

1           (4) Contract for the repair and maintenance of the  
2 building. The contracts shall be appropriately documented and  
3 included in the reports and accounting which the conservator  
4 is required to submit or file under the provisions of this  
5 chapter.

6           (5) Borrow money and incur credit in accordance with  
7 section 6135 (relating to incurring indebtedness).

8           (6) Contract and pay for the maintenance and restoration  
9 of utilities to the building.

10          (7) Purchase materials, goods and supplies to accomplish  
11 repairs and operate the building.

12          (8) With the court's approval, enter into new rental  
13 contracts and leases for a period not to exceed one year.

14          (9) Affirm, renew or enter into contracts providing for  
15 insurance coverage on the building.

16          (10) Engage and pay legal, accounting, appraisal and  
17 other professionals to aid the conservator in the conduct of  
18 the conservatorship.

19          (11) Apply for and receive public grants or loans.

20          (12) Sell the building in accordance with section 6136  
21 (relating to sale of property).

22          (13) Exercise all authority that an owner of the  
23 building would have to improve, maintain and otherwise manage  
24 the building.

25          (b) Affirmative duty.--While in possession of the building,  
26 the conservator shall:

27               (1) Maintain, safeguard and insure the building.

28               (2) Apply all revenue generated from the building  
29 consistent with the provisions of this chapter.

30               (3) Develop a final plan for abatement of the conditions

1 which caused the petition to be granted or, if no such  
2 feasible final plan can be developed, develop alternatives,  
3 including the closing, sealing or demolition of all or part  
4 of the building.

5 (4) Implement the final plan referred to under paragraph  
6 (3) upon approval by the court.

7 (5) Submit a status report to the court and parties to  
8 the action annually or more frequently as the court may deem  
9 appropriate. The status report shall include:

10 (i) A copy of any contract entered into by the  
11 conservator regarding the improvement of the building.

12 (ii) An account of the disposition of all revenue  
13 generated from the building.

14 (iii) An account of all expenses and improvements.

15 (iv) The status of developing and implementing the  
16 final plan pursuant to this subsection.

17 (v) A description of any proposed actions to be  
18 taken in the next six months to improve the building.

19 (c) Submission of final plan.--

20 (1) The final plan referred to under subsection (b)(3)  
21 shall be submitted to the court and to all parties to the  
22 action.

23 (2) After notice and an opportunity for a hearing, the  
24 court may amend the final plan.

25 (d) Accounting.--Upon the implementation of the final plan  
26 approved by the court, the conservator shall file with the court  
27 a full accounting of all income and expenditures during the  
28 period of time it took to implement the final plan.

29 § 6134. Ownership of property.

30 (a) Ownership interest of conservator.--A conservator

1 appointed under section 6132 (relating to appointment of  
2 conservator) shall be deemed to have an ownership interest in  
3 and legal control of the property for the purposes of filing  
4 plans with public agencies and boards, seeking and obtaining  
5 construction permits and other approvals and submitting  
6 applications for financing or other assistance to public or  
7 private entities.

8 (b) Liability of owner.--Notwithstanding the appointment of  
9 a conservator under section 6132, nothing in this chapter shall  
10 be construed to relieve the owner of any civil or criminal  
11 liability or of any obligation to pay taxes, municipal liens and  
12 charges, mortgages, private liens or other fees or charges,  
13 whether incurred before or after the appointment of the  
14 conservator.

15 § 6135. Incurring indebtedness.

16 (a) Borrowing.--From time to time a conservator may borrow  
17 money or incur indebtedness in order to cover the cost of  
18 rehabilitation, improvement, preservation, insurance, management  
19 or operation of the building or to otherwise fulfill the  
20 conservator's obligations under this chapter.

21 (b) Liens.--In order to facilitate the borrowing of funds  
22 for the rehabilitation of the building, the court may grant a  
23 lien or security interest with priority over all other liens  
24 with the exception of municipal or other governmental liens,  
25 provided, however, that prior to granting a priority lien, the  
26 court has found that:

27 (1) The conservator sought to obtain the necessary  
28 financing from the senior lienholder, but the lienholder  
29 declined to provide financing on reasonable terms.

30 (2) Lien priority is necessary in order to induce

1 another lender to provide financing on reasonable terms.

2 § 6136. Sale of property.

3 (a) Sale by owner or lienholder.--If a property subject to  
4 conservatorship is sold by the owner or foreclosed upon by a  
5 lienholder or if any interest in the property is transferred,  
6 such sale, foreclosure or transfer shall be subject to the  
7 conservatorship.

8 (b) Sale by conservator.--Upon application of the  
9 conservator, the court may order the sale of the property if the  
10 court finds that:

11 (1) Notice was given to each record owner of the  
12 building and each lienholder of record.

13 (2) The conservator has been in control of the building  
14 for more than six months and the owner has not successfully  
15 petitioned to terminate the conservatorship under section  
16 6137 (relating to termination of conservatorship).

17 (c) Sale free and clear.--

18 (1) The court may authorize the conservator to sell the  
19 building free and clear of all liens, claims and  
20 encumbrances, provided that the proceeds of the sale are  
21 distributed pursuant to subsection (d) at settlement.

22 (2) In the event that the proceeds of the sale are  
23 insufficient to pay all existing liens, claims and  
24 encumbrances, the proceeds shall be distributed according to  
25 the priorities set forth under subsection (d), and all unpaid  
26 liens, claims or encumbrances shall be extinguished.

27 (d) Distribution.--The proceeds of the sale shall be applied  
28 in accordance with the following priorities to:

29 (1) All court costs.

30 (2) Municipal or other governmental liens.

1           (3) Costs and expenses of sale.

2           (4) Principal and interest on any borrowing or  
3 incurrence of indebtedness granted priority over existing  
4 liens and security interest under section 6135(b) (relating  
5 to incurring indebtedness).

6           (5) Costs of rehabilitation and any fees and expenses  
7 incurred by the conservator in connection with the sale or  
8 the safeguarding, insuring or maintaining of the property.

9           (6) Valid liens and security interests in accordance  
10 with their priority.

11           (7) Any unpaid obligations of the conservator.

12           (8) Costs incurred by the petitioner in requesting the  
13 court to place the property in conservatorship.

14           (9) The owner.

15 § 6137. Termination of conservatorship.

16           Upon request of a party in interest or the conservator, the  
17 court may order the termination of the conservatorship if it  
18 determines:

19           (1) the conditions that were the grounds for the  
20 petition and all other code violations have been abated or  
21 corrected, the obligations, expenses and improvements of the  
22 conservatorship, including all fees and expenses of the  
23 conservator, have been fully paid or provided for and the  
24 purposes of the conservatorship have been fulfilled;

25           (2) the owner, mortgagee or lienholder has requested the  
26 conservatorship be terminated and has provided adequate  
27 assurances to the court that the conditions that constituted  
28 grounds for the petition will be promptly abated, all  
29 obligations, expenses and improvements of the  
30 conservatorship, including all fees and expenses of the

1 conservator, have been fully paid or provided for and the  
2 purposes of the conservatorship have been fulfilled;

3 (3) the building has been sold by the conservator and  
4 the proceeds distributed in accordance with section 6136(d)  
5 (relating to sale of property); or

6 (4) the conservator has been unable after diligent  
7 effort to present a plan that could be approved under section  
8 6133(b)(3) (relating to powers and duties of conservator) or  
9 implement a previously approved plan or, for any reason, the  
10 purposes of the conservatorship cannot be fulfilled.

11 SUBCHAPTER E

12 STATE AND LOCAL GOVERNMENT PERMIT DENIALS

13 Sec.

14 6141. State permit denials.

15 6142. Municipal permit denial.

16 § 6141. State permit denials.

17 (a) General rule.--A department, board or commission may  
18 deny an applicant a State permit, certification, license or  
19 approval for contemplated action requiring such approval, if the  
20 applicant owns any real property in this Commonwealth and any of  
21 the following apply:

22 (1) The applicant owns real property in a municipality  
23 for which taxes, water or sewer or refuse collection charges  
24 are delinquent.

25 (2) The applicant owns real property in this  
26 Commonwealth that has been determined to be in serious  
27 violation of applicable State or municipal housing, building,  
28 property maintenance or fire safety code requirements and has  
29 not taken substantial steps to bring the property into code  
30 compliance.

1           (3) The real property is in violation of an applicable  
2           State or municipal housing, building, property maintenance or  
3           fire safety code requirement and the property owner has taken  
4           no substantial steps to correct within 60 days following  
5           notification of the violation.

6           (b) Proof of compliance.--

7           (1) A State permit, certification, license or approval  
8           may be withheld until the applicant obtains a letter from the  
9           appropriate State agency, municipality or school district  
10           which indicates the following:

11           (i) The property in question is not presently tax  
12           delinquent or does not owe sewer, water or refuse  
13           collection charges.

14           (ii) The property in question is now in code  
15           compliance.

16           (iii) The property owner of the property in question  
17           has taken substantial steps to bring the property into  
18           code compliance.

19           (2) Letters required under this subsection shall be  
20           verified by the appropriate State officials before the  
21           official may issue the applicant a State permit,  
22           certification, license or approval.

23           (c) Availability of information.--Information contained in  
24           the property maintenance code violation report shall be subject  
25           to the provisions of the act of February 14, 2008 (P.L. ,  
26           No.3), known as the Right-to-Know Law.  
27           § 6142. Municipal permit denial.

28           (a) Denial.--A municipality may deny issuing to an applicant  
29           a building permit, zoning permit, zoning variance, municipal  
30           license, municipal permit or municipal approval for contemplated

1 action that requires the approval of the municipality, if any of  
2 the following apply:

3 (1) The applicant owns real property in any municipality  
4 for which taxes or water, sewer or refuse collection charges  
5 are delinquent.

6 (2) The applicant owns any property in any municipality  
7 that has been determined to be in serious violation of  
8 applicable State or municipal housing, building, property  
9 maintenance or fire safety code requirements and has not  
10 taken substantial steps to bring the property into code  
11 compliance.

12 (3) The applicant owns any property in any municipality  
13 which is in violation of an applicable State or municipal  
14 housing, building, property maintenance or fire safety code  
15 requirement and has taken no substantial steps to correct the  
16 violation within six months following notification of the  
17 violation.

18 (b) Proof of compliance.--

19 (1) All municipal variances, approvals, permits or  
20 licenses may be withheld until an applicant obtains a letter  
21 from the appropriate State agency, municipality or school  
22 district indicating the following:

23 (i) The property in question is not presently tax  
24 delinquent.

25 (ii) The property in question is now in code  
26 compliance.

27 (iii) The owner of the property in question has  
28 taken substantial steps to bring the property into code  
29 compliance.

30 (2) Letters required under this subsection shall be

1 verified by the appropriate municipal officials before  
2 issuing to the applicant a municipal variance, approval,  
3 permit or license.

4 SUBCHAPTER F

5 STATE BLIGHT DATA COLLECTION SYSTEM

6 Sec.

7 6151. Property Maintenance Code Violations Registry.

8 6152. Property maintenance code violation reports.

9 6153. Dissemination of information by department.

10 6154. Expungement.

11 6155. Administrative requirements.

12 6156. Audit.

13 6157. Imposition of surcharge.

14 § 6151. Property Maintenance Code Violations Registry.

15 (a) Establishment.--The Property Maintenance Code Violations  
16 Registry is hereby established. The department shall implement  
17 and administer the registry.

18 (b) Purpose.--The registry shall contain property  
19 maintenance code violation reports filed by municipalities under  
20 section 6152 (relating to property maintenance code violation  
21 reports).

22 § 6152. Property maintenance code violation reports.

23 (a) Municipalities to file.--A municipality shall file a  
24 property maintenance code violation report for any person who  
25 owns real property within that municipality with current  
26 property maintenance code violations that have gone unabated for  
27 90 days or more.

28 (b) Forms provided.--Property maintenance code violation  
29 reports may be made on forms provided by the department or may  
30 be made electronically.

1 (c) Information included.--Property maintenance code  
2 violation reports shall include the following information:

3 (1) The name of the convicted property maintenance code  
4 violator.

5 (2) Where owned by a corporation, the information on  
6 record at the Department of Transportation in connection with  
7 the individual drivers' licenses for each officer of the  
8 corporation.

9 (3) The legal description of the real property which is  
10 in violation of the municipal property maintenance code.

11 (4) A description of the condition of the real property  
12 which resulted in the property maintenance code violation.

13 (5) The date of the original property maintenance code  
14 violation.

15 (6) The amount of penalties owed or liens attached to  
16 the property with maintenance code violations.

17 (7) The name of the municipality filing the report.

18 (d) Duty of municipality.--A municipality that files a  
19 property maintenance code violation report shall follow the  
20 guidelines for expungement under section 6154 (relating to  
21 expungement).

22 § 6153. Dissemination of information by department.

23 (a) Availability of information.--Information contained in  
24 the property maintenance code violation report shall be subject  
25 to the provisions of the act of February 14, 2008 (P.L. ,  
26 No.3), known as the Right-to-Know Law.

27 (b) Requests by municipalities.--

28 (1) Municipalities may request a copy of a property  
29 maintenance code violation report on any pending applicant  
30 for a municipal permit by submitting a property maintenance

1 code violation report request form to the department or  
2 requesting the form electronically.

3 (2) The department shall disseminate all property  
4 maintenance code violation reports relating to a municipal  
5 permit applicant to the requesting municipality within two  
6 weeks of receipt of a property maintenance code violation  
7 report request from that municipality.

8 (3) The municipality shall notify an applicant in  
9 writing of the reasons for a decision which denies the  
10 applicant a municipal permit if the decision is based in  
11 whole or in part on information contained in the Property  
12 Maintenance Code Violations Registry.

13 (c) Requests by Commonwealth.--

14 (1) Commonwealth agencies may request a copy of any  
15 property maintenance code violation report on any pending  
16 applicant for licensing or certification by submitting a  
17 property maintenance code violation report request form to  
18 the department or requesting the form electronically.

19 (2) The department shall disseminate all property  
20 maintenance code violation reports relating to a State  
21 license or certification applicant to a requesting  
22 Commonwealth agency within two weeks of receipt of a property  
23 maintenance code violation report request from the agency.

24 (3) The Commonwealth agency shall notify an applicant in  
25 writing of the reasons for a decision which denies the  
26 licensing or certification requested by that applicant if the  
27 decision is based in whole or in part on information  
28 contained in the Property Maintenance Code Violations  
29 Registry.

30 (d) Hearing.--If requested by an applicant, a hearing shall

1 be scheduled to appeal a decision made as a result of municipal  
2 property maintenance code violation convictions under subsection  
3 (b)(3) or (c)(3). If the applicant can show cause why the  
4 municipal property maintenance code violation convictions should  
5 not be considered, the State shall reevaluate any request by the  
6 applicant for a State license or certification, and the  
7 municipality shall likewise reevaluate any request by the  
8 applicant for a municipal permit.

9 (e) Record of dissemination.--The department shall maintain  
10 a listing of Commonwealth agencies and all municipalities that  
11 have requested information on a particular real property owner  
12 and the date on which the information was disseminated. This  
13 listing shall be maintained separate from the registry.

14 (f) Fee.--There shall be no fee assessed for the  
15 dissemination of property maintenance code violation  
16 information.

17 § 6154. Expungement.

18 A municipality that files a report with the department shall  
19 subsequently notify the department when the real property is  
20 brought into code compliance. Upon notification by the  
21 municipality, the department shall include the information as  
22 part of the official record for the specific property and  
23 violator.

24 § 6155. Administrative requirements.

25 (a) Regulations.--The department shall establish procedures  
26 for the completeness and accuracy of information in the registry  
27 and shall promulgate the regulations necessary to carry out its  
28 duty of maintaining the registry.

29 (b) Forms.--The department shall develop property  
30 maintenance code violation report forms and property maintenance

1 code violation report request forms, as well as procedures to  
2 obtain the information electronically.

3 (c) Security requirements.--The department shall ensure the  
4 confidentiality and security of the information contained in the  
5 registry by providing that:

6 (1) Procedures have been instituted to reasonably  
7 protect the registry from theft, fire, sabotage, flood, wind  
8 or other natural or manmade disasters.

9 (2) All personnel authorized to have access to registry  
10 information are selected, supervised and trained accordingly.

11 § 6156. Audit.

12 (a) Duty of Auditor General.--The Auditor General shall  
13 conduct annual performance audits of registry operations.

14 (b) Access to records.--The department shall provide  
15 auditors with access to all records, reports and listings  
16 required to conduct an audit of property maintenance code  
17 violations record information. Persons having supervision of or  
18 authorized to receive registry information shall cooperate with  
19 auditors and provide requested information.

20 (c) Contents of audit.--The audit shall report in writing  
21 any deficiencies and any recommendations for correcting the  
22 deficiencies. The department shall respond to the audit  
23 recommendations within a reasonable period of time unless the  
24 audit report is appealed to the Auditor General and the appeal  
25 is upheld.

26 (d) Modification of recommendations.--Upon appeal of the  
27 audit recommendations by the department, the Auditor General may  
28 modify corrective measures recommended by auditors.

29 § 6157. Imposition of surcharge.

30 There is imposed on each property owner who is in violation

1 of a municipal property maintenance code a surcharge in the  
2 amount of \$100 for each municipal property maintenance code  
3 violation. This surcharge shall be in addition to any other  
4 applicable fees or charges lawfully collected by the  
5 municipality and court. The municipality shall collect the  
6 surcharge and remit all funds to the department on a quarterly  
7 basis. Funds generated by the surcharge shall be used to finance  
8 the Statewide implementation of the Property Maintenance Code  
9 Violations Registry and to conduct training of the judiciary in  
10 accordance with section 6192 (relating to education and training  
11 programs for judges).

12 SUBCHAPTER G

13 GRANTS

14 Sec.

15 6161. Municipal Code Enforcement Grant Program.

16 6162. Regulations.

17 § 6161. Municipal Code Enforcement Grant Program.

18 (a) Establishment.--The department shall issue grants to  
19 eligible municipalities for the purpose of reducing blighted  
20 property conditions.

21 (b) Purpose.--The purpose of the Municipal Code Enforcement  
22 Grant Program is to encourage the establishment of special code  
23 enforcement programs to address blighted property and the hiring  
24 and training of code enforcement personnel in those  
25 municipalities with an existing code enforcement program.

26 (c) Eligibility.--In order to receive a grant under this  
27 subchapter, a municipality must submit an application to the  
28 department and satisfy the eligibility criteria established by  
29 the department.

30 (d) Matching funds.--A municipality shall provide its own

1 funds or in-kind contributions, approved by the department as  
2 determined by regulations promulgated by the department under  
3 section 6162 (relating to regulations) equal to the amount of  
4 the grant provided and shall dedicate and expend those funds for  
5 the purpose for which the grant was awarded.

6 (e) Limitation.--Grants provided under this section shall  
7 not be provided to the same recipient for more than three  
8 consecutive years.

9 § 6162. Regulations.

10 Within 90 days following the effective date of this  
11 subchapter, the department shall promulgate rules and  
12 regulations to carry out the provisions of this subchapter. The  
13 regulations to implement section 6161(b) (relating to Municipal  
14 Code Enforcement Grant Program) may include, but not be limited  
15 to:

16 (1) The age of the existing housing in the municipality.

17 (2) The municipality's existing tax base.

18 (3) The existing financial condition of the  
19 municipality.

20 SUBCHAPTER H

21 SALE OF BLIGHTED AND ABANDONED PROPERTIES

22 Sec.

23 6165. Applicability.

24 6166. Tax sales.

25 6167. Requirements for purchaser of abandoned property.

26 § 6165. Applicability.

27 The provisions of this subchapter shall be in addition to the  
28 provisions of the act of July 7, 1947 (P.L.1368, No.542), known  
29 as the Real Estate Tax Sale Law. If there is a conflicting  
30 provision, this subchapter and not the Real Estate Tax Sale Law

1 shall prevail where the tax sale affects blighted or abandoned  
2 property.

3 § 6166. Tax sales.

4 (a) Publication of tax sale properties.--At least 60 days  
5 prior to the date scheduled for a tax sale, the county shall  
6 make public a list of properties to be offered at the sale. The  
7 county shall provide a copy of the list to the mayor, or  
8 comparable municipal official, of any municipality in which  
9 property scheduled for sale is located.

10 (b) Notification about abandoned properties.--Within 30 days  
11 following receipt of the list, the municipality shall notify the  
12 county of any properties within its jurisdiction which are  
13 abandoned properties. Not less than 15 days prior to the  
14 scheduled tax sale, the county shall make public a revised list  
15 of properties to be offered for sale indicating which are  
16 abandoned.

17 § 6167. Requirements for purchaser of abandoned property.

18 In addition to requirements under the act of May 16, 1923  
19 (P.L.207, No.153), referred to as the Municipal Claim and Tax  
20 Lien Law, the act of July 7, 1947 (P.L.1368, No.542), known as  
21 the Real Estate Tax Sale Law, or the act of October 11, 1984  
22 (P.L.876, No.171), known as the Second Class City Treasurer's  
23 Sale and Collection Act, a purchaser of an abandoned property  
24 shall:

25 (1) Enter into a redevelopment agreement with the  
26 municipality in which the property is located, obligating the  
27 purchaser to redevelop the property in accordance with all  
28 municipal codes and any officially adopted plans for the  
29 geographic area in which the property is located. The  
30 redevelopment agreement shall include, at a minimum:



1 magisterial district judges, regarding the laws of this  
2 Commonwealth relating to blighted and abandoned property and the  
3 economic impact that blighted and abandoned properties have upon  
4 municipalities. The education and training programs shall  
5 include, but not be limited to:

6 (1) The importance and connection of municipal housing  
7 code violations and crime.

8 (2) Time-in-fact violations as they relate to property  
9 maintenance code violations.

10 (3) Conduct of witnesses in prosecuting property  
11 maintenance code violations.

12 (4) Limiting continuances in property maintenance code  
13 violations.

14 (5) Use of indigency hearings in the prosecution of  
15 property maintenance code violations.

16 § 6193. County housing courts.

17 Upon a request or approval of a resolution by the county  
18 commissioners, the president judge of a county may establish a  
19 housing court to hear and decide matters arising under this  
20 chapter and other laws relating to real property matters.

21 Section 2. This act shall take effect in 90 days.