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THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 478 Session of 2011

INTRODUCED BY BROWNE, PILEGGI, SMUCKER, ERICKSON, YAW, ALLOWAY, WAUGH, FONTANA, TARTAGLIONE, COSTA, GREENLEAF, BAKER, EARLL, SOLOBAY, WOZNIAK, YUDICHAK, WILLIAMS, PICCOLA, M. WHITE AND PIPPY, FEBRUARY 10, 2011

REFERRED TO FINANCE, FEBRUARY 10, 2011

AN ACT

Providing for the tax sale of abandoned properties.

The General Assembly finds and declares as follows:

(1) Pennsylvania's older communities are vital to the Commonwealth's economic health by providing a focal point for businesses and services, and to the Commonwealth's quality of life with their rich histories and diverse communities. However, many older communities suffer from blighted properties that have been abandoned by their owners.

(2) The citizens of this Commonwealth are adversely affected by abandoned, blighted and tax-delinquent residential, commercial and industrial properties, including those citizens who live or work in proximity to substandard buildings, as well as those who own property in the vicinity of the buildings.

(3) Abandoned, blighted and tax-delinquent residential, commercial and industrial structures pose a safety threat and

public nuisance, and their blighting effect diminishes the value of nearby property.

(4) If these buildings are not demolished or rehabilitated and brought into code compliance, they are likely to remain abandoned and further deteriorate, resulting in increased cost to the Commonwealth, municipality and taxpayers to secure and ultimately demolish these buildings.

(5) Properties sold at tax sale sometimes remain blighted and become tax delinquent again.

(6) Providing a mechanism to remove or transform abandoned, blighted and tax-delinquent buildings into productive reuse is an opportunity for communities to modernize, revitalize and grow, and to improve both the local economy and the quality of life for neighbors.

(7) The General Assembly declares that it is in the best interests of the Commonwealth, municipalities and communities to establish a process, as set forth under this act, for declaring properties abandoned and ensuring that the properties, when purchased at tax sale, will be demolished or rehabilitated and returned to productive use.

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

Section 1. Short title.

This act shall be known and may be cited as the Abandoned Property Tax Sale Act.

Section 2. Definitions.

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

"Abandoned property."

(1) A property on which there is a building that has not been legally occupied for at least the previous 12 months and the municipality finds at least one of the following:

(i) The building is a public nuisance.

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

(iii) The building is unfit for human habitation, occupancy or use.

(iv) The condition and vacancy of the building materially increases the risk of fire to the building and to adjacent properties.

(v) The building is subject to unauthorized entry leading to potential health and safety hazards, and the owner has failed to take reasonable and necessary measures to secure the building or the municipality has secured the building in order to prevent the hazards after the owner has failed to do so.

(vi) The property is an attractive nuisance to children, including the presence of abandoned wells, shafts, basements, excavation and unsafe structures.

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

(viii) The dilapidated appearance or other condition of the building negatively affects the economic well-being of residents and businesses in close proximity to the building, including decreases in property value and

loss of business, and the owner has failed to take reasonable and necessary measures to remedy the conditions.

(ix) The property is an attractive nuisance for illicit purposes, including prostitution, drug use and vagrancy.

(2) The term shall include structures if the structures are the only improvements on the property.

(3) The term shall not include auxiliary structures which are incidental to the main building on the property.

"Municipality." Any city of the first, second, second class A or third class, any incorporated town, any township of the first or second class and any borough.

"Public nuisance." Any property which, because of physical condition or use, is regarded as a public nuisance at common law or has been declared a public nuisance in accordance with the local housing, building, health, fire or related codes.

Section 3. Publication of notice and review by municipality.

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

(b) Notification.--Within 30 days of receipt of the list under subsection (a), the municipality may notify the county of any abandoned properties within its jurisdiction.

(c) Sale.--No less than 15 days prior to the scheduled tax sale, the county shall make public a revised list of properties to be offered for sale indicating which are abandoned.

Section 4. Requirements for purchaser of abandoned properties.

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

(1) Within 30 days of the sale and prior to the transfer of title, enter into a redevelopment agreement with the municipality in which the property is located or, at the option of the municipality, with the redevelopment authority obligating the purchaser to redevelop the property in accordance with all municipal codes and any officially adopted plans for the geographic area in which the property is located. If the municipality or the redevelopment authority determines that demolition of the building is appropriate, the purchaser may demolish instead of redeveloping the property. The redevelopment plan shall include all of the following at a minimum:

(i) A specified time by which the redevelopment or demolition must be completed.

(ii) A description of the redevelopment work or demolition to be completed.

(iii) Remedies for noncompliance, including the right of the municipality or redevelopment authority to acquire title to the property if the redevelopment or demolition is not completed by the agreed-upon date.

(2) Within 30 days of the sale and prior to the transfer of title, post a bond to ensure compliance with the redevelopment agreement, naming the municipality or

redevelopment authority as the beneficiary.

Section 20. Effective date.

This act shall take effect in 90 days.